Demand for Grants 2021-22 Analysis
Education

The Ministry of Education consists of two departments: (i) school education and literacy, and (ii) higher education. The **Department of School Education and Literacy** is broadly responsible for education imparted between the ages of six to 18 years, i.e., school education. Under the Right to Education (RTE) Act, 2009 the government is mandated to provide elementary education to all children between 6-14 years of age. Secondary education is imparted between Class 9-12 for children between 14-18 years of age.

The **Department of Higher Education** is responsible for higher education, and training for students above 18 years of age. Higher education includes undergraduate and postgraduate courses, doctoral degrees, and certificates following the completion of 12 years of schooling or equivalent.

This note looks at the proposed expenditure of the Ministry for 2021-22, trends in this expenditure and discusses some of the issues related to the education sector.

> As 2020-21 had extra-ordinary expenditure on account of Covid-19, we have used annualised increase (CAGR) over the 2019-20 figures for comparison across all our Tables.

Allocation in Union Budget 2021-22

In 2021-22, the Ministry has been allocated Rs 93,224 crore, the 8th highest allocation among all Ministries. The allocation constitutes 2.67% of the central government's estimated expenditure for 2021-22.

The Economic Survey 2019-20 noted that the expenditure on education by the centre and the states as a proportion of the Gross Domestic Product (GDP) has been around 3% between 2014-15 to 2018-19.[1] The National Policy on Education 1968 recommended the spending on Education to be 6% of GDP. National Education Policy, 2020 (NEP) reaffirms the recommendation of increasing public investment on education to 6% of GDP.

In 2021-22, the **Department of School Education and Literacy** has been allocated Rs 54,874 crore, accounting for 59% of the Ministry's total allocation. The **Department of Higher Education** has been allocated Rs 38,351 crore, accounting for 41% of the Ministry's total allocation.

Budget speech highlights 2021-22[2]

- The Higher Education Commission of India will be constituted as an umbrella body with four separate bodies for standard setting, accreditation, regulation, and funding.

- Over 15,000 schools will be qualitatively strengthened to implement National Education Policy.

- An umbrella structure will be created in nine cities each to facilitated better cooperation between various research institutes, universities, and colleges under the central government.

- 100 new Sainik Schools will be set up in partnership with non-government organisations, private schools, and states.

- A central university will be set up in Leh for better accessibility to higher education in the region.

Overview of finances

Budget Estimates 2021-22

The Ministry has been allocated Rs 93,224 crore in 2021-22, which is an annual increase of 2.1% over the actual expenditure in 2019-20.[3]

Table 1: Budget allocations for the Education (2021-22) (in Rs crore)

Department	2019-20 Actuals	2020-21 RE	2021-22 BE	Annualised change (Actuals 2019-20 to BE 2021-22)
School Education & Literacy	52,520	52,189	54,874	2.2%
Higher Education	36,916	32,900	38,351	1.9%
Total	**89,437**	**85,089**	**93,224**	2.1%

Note: BE – Budget Estimate; RE – Revised Estimates; Annualised change is from 2019-20 Actuals to 2021-22 BE.
Sources: Expenditure Budget - Ministry of Education, 2021-22; PRS.

In 2021-22, the highest expenditure (33%) is allocated towards Samagra Shiksha (Rs 31,050 crore), followed by: (i) autonomous bodies (12%) such as Kendriya Vidyalaya Sangathan (KVS), (ii) Mid-Day Meal Programme (12%), (iii) grants to central universities (8%), (iv) Indian Institutes of Technology (8%), and (v) statutory and regulatory bodies (University Grants Commission (UGC) and All India Council for Technical Education (AICTE)) (5%), among others.

Table 2 shows the key heads under which the Ministry spends its funds (as a percentage of its total expenditure).

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Table 2: Major heads of expenditure under the Ministry of Education (2021-22) (in %)

Expenditure head	Allocation (as % of total expenditure)
Samagra Shiksha	33%
Autonomous Bodies	12%
Mid-Day Meal Programme	12%
Grants to Central Universities	8%
Indian Institutes of Technology	8%
UGC and AICTE	5%
National Institutes of Technology and IIEST	4%
Rashtriya Uchhatar Shiksha Abhiyan (RUSA)	3%
Student Financial Aid	3%
Others	10%
Total	**100%**

Note: Autonomous Bodies include Kendriya Vidyalaya Sangathan (KVS) and Navodaya Vidyalaya Samiti (NVS); 'Others' include schemes and programmes under the Ministry each with an allocation of less than 3% of the total expenditure. Sources: Expenditure Budget - Ministry of Education, 2021-22; PRS.

Key highlights related to allocations in 2020-21

In 2020-21, the allocation for the Ministry of Education has reduced from Rs 99,312 crore at the budget stage to Rs 85,089 crore at the revised stage (a decrease of 14%).

The schemes with a significant reduction in allocation at the revised stage include: (i) Higher Education Financing Agency (91% reduction), (ii) student financial aid (48% reduction), and (iii) Samagra Shiksha (48% reduction).

Some of the heads which observed an increase in their allocation at the revised stage are: (i) world class institutions (increased by 120%), (ii) Mid-Day Meal programme (increased by 17%), (iii) autonomous bodies such as Kendriya Vidyalaya Sangathan (KVS) (increased by 13%), and (iv) grants to Central Universities (increased by 13%).

Refer Table 8 in the Annexure for a detailed breakup of the expenditures under the ministry of Education.

Financing education

The Standing Committee on Human Resource Development (2020) noted that the Department of School Education and Literacy had been allocated 28% less than what the Ministry had proposed in 2020-21 (allocated Rs 59,845 crore against the proposed amount of Rs 82,570 crore).[4] The Committee recommended additional funds for centrally sponsored schemes and central sector schemes under the department at the revised estimates stage. However, at the revised stage, the budget for centrally sponsored schemes was reduced from Rs 50,081 crore to Rs 41,400 crore and for the

central sector schemes, the allocation was reduced from Rs 520 crore to Rs 354 crore.[4]

In 2020-21, the highest reduction in allocation at the revised stage among centrally sponsored schemes was for Samagra Shiksha (reduction of Rs 10,794 crore from the budget stage). Among central sector schemes, the highest reduction was for the National Scheme for Incentive to Girl Child for Secondary Education (reduced from Rs 110 crore at the budget stage to Rs One crore at the revised stage).

Another Standing Committee on Human Resource Development (2020) noted that the allocation for Central Universities is inadequate as compared to their infrastructure, faculty and number of students enrolled.[26] This affects the implementation of schemes. Thus, the Committee recommends increasing the budgetary allocations of the department of higher education.

The NEP 2020 states that to achieve the target of public spending of 6% of GDP on education at the earliest, financial support will be provided to critical components of education. These components include: (i) adequate number of teachers and staff, (ii) teacher development, and (iii) development of learning resources. In the long-term, the policy recommends investments in key thrust areas of education such as: (i) teacher education and development, (ii) revamping colleges and universities, (iii) promotion of research, (iv) foundational literacy, and (v) quality early childhood care education. Further, the Policy recommends the efficient use of funds to avoid underutilisation of allocations. This will help in the timely achievements of targets under various schemes for education.

Department of School Education and Literacy

Allocation to the department has seen an annual growth of 7% between 2010-11 and 2021-22.

Figure 1: Expenditure incurred by Department of School Education and Literacy (2010-22) (in Rs crore)
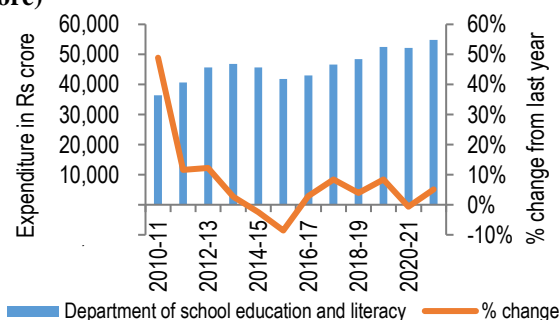
Note: Revised estimates have been used for 2020-21 and Budget estimates for 2021-22.
Sources: Expenditure Budget, 2010-22; PRS.

Table 3: Major heads of expenditure under the Department of School Education and Literacy in 2021-22 (in Rs crore)

Major Head	2019-20 Actuals	2020-21 RE	2021-22 BE	Annualised Change from Actuals 2019-20 to BE 2021-22
National Education Mission	32,377	28,078	31,300	-2%
-Samagra Shiksha	32,377	27,957	31,050	-2%
-Teachers Training and Adult Education	-	120	250	-
Mid-Day Meal Programme#	9,699	12,900	11,500	9%
Autonomous bodies	10,077	10,395	11,192	5%
Scholarship Scheme*	331	350	350	3%
Others	36	467	532	91.3%
Total	**52,520**	**52,189**	**54,874**	**5.9%**

Note: Annualised Change is from 2019-20 Actuals to 2021-22 Budget Estimate; # Refers to National Programme of Mid-Day Meal in Schools; * Refers to National Means-cum-Merit Scholarship Scheme.
Sources: Expenditure Budget, 2021-22; PRS.

Table 4 shows a trend of utilisation of funds allocated to the department between 2010-11 and 2020-21.

Table 4: Comparison of budget estimates and the actual expenditure (2010-21) (in Rs crore)

Year	Budget Estimate	Actuals	Utilisation % (Actuals/BE)
2010-11	33,214	36,433	110%
2011-12	41,451	40,641	98%
2012-13	48,781	45,631	94%
2013-14	52,701	46,856	89%
2014-15	55,115	45,722	83%
2015-16	42,220	41,800	99%
2016-17	43,554	42,989	99%
2017-18	46,356	46,600	101%
2018-19	50,000	48,441	97%
2019-20	56,537	52,520	93%
2020-21	59,845	52,189*	87%

Note: BE – Budget Estimate. *Revised Estimate
Sources: Union Budgets, 2012-22; PRS.

National Education Mission: The NEM consists of two expenditure heads: (i) Samagra Shiksha, and (ii) Teachers Training and Adult Education. Allocation to the NEM accounts for 34% of the total budget of the Ministry of Education. In 2021-22, the NEM has been allocated Rs 31,300 crore, which is a 2% annual decrease as compared to 2019-20.

Samagra Shiksha was launched in July 2018. It aims to ensure inclusive and equitable quality education at all levels of school education. It subsumed three

erstwhile centrally sponsored schemes: (i) Sarva Shiksha Abhiyan (SSA), (ii) Rashtriya Madhyamik Shiksha Abhiyan (RMSA), and (iii) Teacher Education (TE).

In 2021-22, Samagra Shiksha has been allocated Rs 31,050 crore (6.8% annual increase over 2019-20). The allocation for Samagra Shiksha accounts for 57% of the total departmental allocation and 99% of the allocation for the National Education Mission. In 2020-21, Samagra Shiksha was allocated Rs 38,751 crore which was reduced to Rs 27,957 crore at the revised stage (a decline of 28%).

Teacher Training and Adult Education has been allocated Rs 250 crore in 2021-22, which is 0.5% of the total departmental allocation. In 2020-21, teacher training and adult education had an allocation of Rs 110 crore at the budget stage, which was increased to Rs 120 crore at the revised stage (an increase of 9%).

National Programme of Mid-Day Meal in Schools: In 2021-22, the mid-day meal programme has been allocated Rs 11,500 crore (9% annual increase over 2019-20). In 2020-21, the programme was allocated Rs 11,000 crore at the budget stage which was increased by 17% to Rs 12,900 crore at the revised stage. The programme targets enhancement of enrolment, retention, attendance, and nutritional levels among children studying in Class 1 to 8 across India.

Autonomous bodies: These include: (i) Kendriya Vidyalaya Sangathan (KVS), (ii) Navodaya Vidyalaya Samiti (NVS), (iii) National Council of Educational Research and Training (NCERT), (iv) Central Tibetan School Administration (CTSA), and (v) National Bal Bhawan. In 2021-22, the allocation for autonomous bodies is Rs 11,192 crore (5% annual increase from 2019-20).

National Means-cum-Merit Scholarship Scheme: The scheme provides one lakh scholarships of Rs 6,000 per annum each to eligible meritorious students in Class 9. The scholarship is provided up to Class 12 to prevent students from dropping out due to financial constraints.

In 2021-22, Rs 350 crore has been allocated for the scheme (3% annual increase over 2019-20). In 2020-21, the scheme was allocated Rs 372 crore at the budget stage, which was reduced to Rs 350 crore at the revised stage (6% decrease).

Key issues in school education

Enrolment, transition, and dropout rates

Enrolment: Gross Enrolment Ratio (GER) is the student enrolment as a proportion of the corresponding eligible age group in a given year. In 2018-19, the GER in primary education was close to 100%.[5] However, the GER reduces to 77% at the

secondary level, and to 50% at the senior secondary level. This implies that curtailing dropouts in the education system remains a challenge. The GER for upper primary, secondary, and senior secondary level of education between 2010-11 and 2018-19 annually increased 1%, 2%, and 4% respectively. The GER for the primary level of education had an annual decline of 1% between this period.

Figure 2, compares GER in India with other countries as in 2015-16.

Figure 2: International comparison of GER (2015-16)
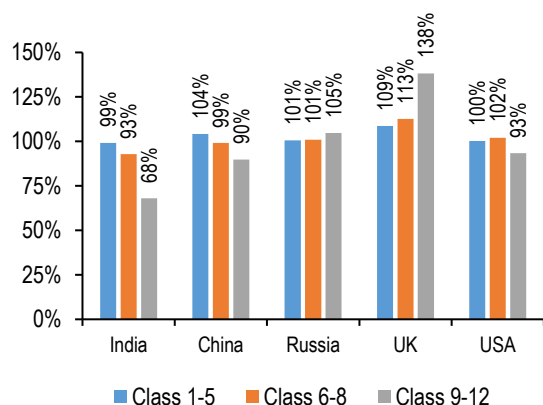
Sources: Educational statistics at a Glance 2018; PRS.

India's enrolment rate in Class 1-5 and Class 6-8 is comparable to that of developed countries. However, it is significantly less (68%) than these countries for Class 9-12 (see Figure 3).

The NEP 2020 notes that the decline in GER is higher for certain socio-economically disadvantaged groups, based on: (i) gender identities (female, transgender persons), (ii) socio-cultural identities (scheduled castes, scheduled tribes), (iii) geographical identities (students from small villages and small towns), (iv) socio-economic identities (migrant communities and low-income households), and (v) disabilities.[7]

Transition and dropouts: Transition rates reflect the dropout levels in the school education system. It is the percentage of pupils enrolled in the final grade of the current stage who proceed to the first grade of the next stage. Higher the transition rate, lower the dropout level. As of September 2016, the transition rate from primary to upper primary and from elementary to secondary was close to 90%, however, the transition rate from secondary to senior secondary was only 66% (see Figure 3).[8]

Note that there is a difference in transition rate from elementary to secondary education (Class 8 to Class 9) between boys and girls. The transition rate for both genders is low for the transition from secondary to senior secondary (Class 10 to Class 11).

Impact of COVID-19 on school education

In March 2020, COVID-19 was declared a pandemic by the World Health Organisation, and a nationwide lockdown was imposed in India to contain the spread of the virus. The lockdown shifted the teaching mode from offline mode to online mode. In 2020-21, Rs 818 crore was shared by the central government across states to promote online learning, and Rs 268 crore was allocated for online teacher training under Samagra Shiksha to ensure professional development of teachers.[6]

The Economic Survey 2020-21 observes that, as of October 2020, the percentage of students in government and private schools owning a smartphone increased from 36.5% in 2018 to 61.8% in 2020 in rural India.

Further, to optimise the impact of COVID-19 pandemic on school education, the central government launched several initiatives. Some of these initiatives are as follows:

PM eVidya: The initiative was launched in May 2020 under the Aatma Nirbhar Bharat Abhiyaan. Under this initiative all states were provided access to various e-content through the web portal - DIKSHA. The e-content included courses for teachers, and quizzes. In addition, the initiative provided for Swayam Prabha channels, which helped in telecasting educational programmes for students who did not have internet access. The initiative also included a channel for differently abled children.[6]

Swayam MOOCs: 92 online massive open online courses (MOOCs) were provided to open school students in Class 9-12. [6]

National Repository of Open Educational Resources (NROER): NROER was created with around 17,500 e-contents for various school subjects in all classes.[6]

Manodarpan: This initiative was part of the Aatma Nirbhar Abhiyaan. It aimed at providing psychological support to students, parents, and teachers.[6]

Figure 3: Transition rate across different levels of education (as of September 2016)
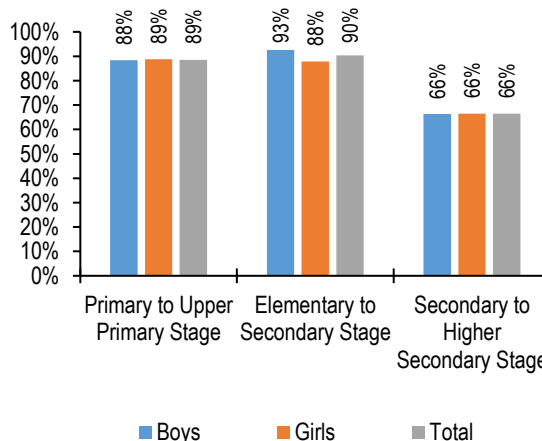
Sources: UDISE Flash Statistics 2016-17, MHRD; PRS.

According to the Ministry, the most prominent reason for dropping out in 2015-16 was the engagement in domestic activities (for girls) and engagement in economic activities (for boys).[9]

Table 5: Major reasons for dropping out (Class 1-12) for 2015-16

Reason for dropping out	Male	Female
Child not interested in studies	23.8%	15.6%
Financial Constraints	23.7%	15.2%
Engage in Domestic Activities	4.8%	29.7%
Engage in Economic Activities	31.0%	4.9%
School is far off	0.5%	3.4%
Unable to cope up with studies	5.4%	4.6%
Completed desired level/ Grade	5.7%	6.5%
Marriage		13.9%
Other reasons	5.1%	6.2%

Note: Other reasons include: (i) timings of educational Institution not suitable, (ii) language/medium of Instruction used unfamiliar, (iii) inadequate number of teachers, (iv) quality of teachers not satisfactory, (v) unfriendly atmosphere at school. For girl students, other reasons also include: (i) non-availability of female teachers, (ii) non-availability of girl's toilet.
Sources: Educational Statistics at Glance 2018, MHRD; PRS.

To improve the retention of children in schools, the NEP 2020 recommends strengthening existing schemes and policies which are targeted at socio-economically disadvantaged groups. For instance, schemes for free bicycles for girls from socio-economically disadvantaged groups or scholarships to tackle dropouts. Further, it recommends setting up special education zones in areas with a significant proportion of such disadvantaged groups. A gender inclusion fund should also be set up to assist female and transgender students in getting access to education.

The Standing Committee on Human Resource Development (2020) suggested that vocational training be provided to students dropping out at the secondary level. This will help them get job opportunities at the earliest and continue their studies.[4]

The Committee stated that Samagra Shiksha has the potential to revamp school education. Note that the utilisation of funds under Samagra Shiksha in 2019-20 was 89%. The Committee specified that such underutilisation and any reduction in funds may lead to an adverse impact on project implementation at the ground level.[4]

Further, the Committee noted that the development of infrastructure has been slow in elementary and secondary schools. This includes: (i) toilets for children with special needs in elementary schools (81% completed), (ii) toilets for girls in secondary schools (68% completed), and (iii) drinking water facilities in secondary schools (83% completed). In addition, the Committee noted that, out of 26 lakh

sanctioned posts of cook-cum-helpers under the Mid-Day Meal programme, 25 lakh posts have been engaged (4% vacancy). Moreover, out of 10 lakh kitchen-cum-stores sanctioned, 8.5 lakh kitchen-cum-stores have been created (92% complete). The Committee highlighted that delay in completion of infrastructure leads to cost overruns and students' dropouts in government schools.[4]

Pupil-teacher ratio

Experts have identified various issues concerning the role of teachers to address the challenges confronting elementary education.[10] These include: (i) low teacher accountability and appraisal, (ii) poor quality of the content of teacher-education and changes required in the curriculum of B. Ed and D. Ed courses, (iii) need for continuous in-service teacher training and upgradation of skill set, (iv) inadequate pupil-teacher ratio and deployment of teachers for non-educational purposes, (v) teacher vacancies, and (vi) excessive recruitment of contract/para teachers.

Over the last few years, the number of teachers in the schooling system has increased (from nearly 82 lakh in 2013-14 to nearly 89 lakh in 2016-17).[8] This has led to a decline in the Pupil-Teacher Ratio (PTR) across school education (from 31.3 in 2013-14 to 28.4 in 2016-17).[9] PTR is defined as the number of students per teacher. According to the RTE Act, 2009, the PTR should ideally be lower than 30:1 at the primary level, and 35:1 at the upper primary level. Amongst the states, only Uttar Pradesh and Bihar do not meet the RTE prescribed PTR at the primary level, with a PTR of 39 and 36, respectively.

The Standing Committee on Human Resource Development (2020) noted that 23% of total posts of teachers (including elementary and secondary levels) under Samagra Shiksha are vacant. The states with comparatively higher vacancy include: (i) Jharkhand (48%), (ii) Uttarakhand (39%), (iii) Kerala (39%), and (iv) Karnataka (33%). The Committee further highlighted that absence of teachers in government schools encourages parents to prefer private schools for their children.[4]

The NEP 2020 also observes that the quality of teacher education, recruitment, deployment, and service conditions are not up to desired standards. Further, it noted the significant teacher vacancies across India. It also adds that poor service conditions and culture, and lack of career progression amongst teachers affects their motivation and teaching quality.

Quality of learning

The National Achievement Survey (NAS) 2017 observed that nearly 53% of Class 3 students have achieved grade proficiency levels.[11] This means that they can solve problems using simple logic, apply simple rules, follow simple instructions, and are able

to use simple language to express themselves. This proportion of students who are grade proficient drops to 47% in Class 5 and to a further 39% in Class 8. Note that NAS is conducted for Class 3, 5, and 8 and it measures learning level outcomes in language, mathematics, and environmental studies (for Class 3 and 5), and language, mathematics, sciences, and social sciences (for Class 8).[11]

Figure 4: Proficiency of learning at different levels
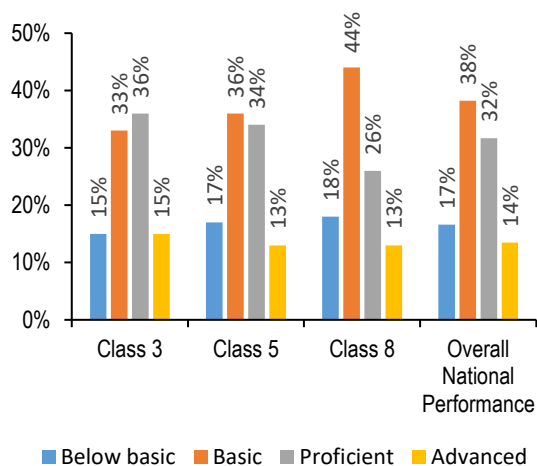
Note: Below basic means learners at this level have not achieved the required learning for this grade.
Sources: National Achievement Survey 2017, MHRD; PRS.

The Central Advisory Board on Education (CABE, 2014), National Achievement Survey (2012 and 2017), and the Economic Survey (2016-17) also observed declining learning levels in elementary education even after the implementation of the Right to Education Act, 2009.[12,13,14,15]

Under the RTE Act, children are enrolled in the Class that corresponds to their age, irrespective of their learning levels. This results in a situation where children may have different learning levels within the same Class, depending on when they are enrolled in the schooling system. To close the gap in learning levels, the NEP 2020 has made several recommendations such as reforms in curriculum and nature of assessments and improving foundational literacy and numeracy through incorporating early childhood care and education in the education system.[7]

The NEP 2020 also notes lack of foundational literacy and numeracy as a reason behind poor learning levels at subsequent stages of education. It observed that more than five crore students currently enrolled in elementary school (26% of students) have not attained foundational literacy and numeracy (the ability to read and understand basic text and carry out basic addition and subtraction). It recommends that every child should attain foundational literacy and numeracy by Class 3.

Similarly, the National Achievement Survey (2015) for Class 10 indicate that 24% students were in the range of 0-35% score and 61% students were in the range of 36-50% score in English. Further, 35% students were in 0-35% scores, and 49% students were in the range of 36-50% scores in Mathematics.[16] No significant differences were observed in the scoring pattern on the basis of gender (boys and girls).

Curriculum

The National Education Policy 2020 noted that the current curriculum system is based on rote learning. The Policy specifies reduction in the content of subjects to core essentials to enhance critical thinking, and inquiry-based, discussion-based, discovery-based, and analysis-based learning.[7]

The Policy recommends various reforms in the curriculum system to shift the system towards a character and skill-building system. The reforms include: (i) introduction of experiential learning (such as hands-on learning, arts/sports-integrated learning), (ii) eliminating significant separation among curricular, extracurricular, or co-curricular in certain streams, and (iv) promoting mother tongue as medium of instruction, preferably till Class 8 and beyond.[7]

Further, it recommended that the existing system of exams be reformed. Board examinations should test only core concepts and cover a range of subjects. Students should be able to choose their subjects and have the option to take the exams on up to two occasions during a given year. To track students' progress throughout their school experience, examinations will be conducted in Class 3, 5, and 8. The examination in Class 3 will test basic foundational literacy and numeracy, and its results will only be used for the improvement of the school education system. Further, a National Assessment Centre will be set up under the MHRD as a standard-setting body for student assessment and evaluation.[7]

Note that under the RTE Act, the Continuous and Comprehensive Evaluation (CCE) is the evaluation mechanism for elementary education. CCE (e.g., paper-pencil test, drawing and reading pictures, and expressing orally) does not mean an absence of an evaluation, but it means an evaluation of a different kind from the traditional system of examinations. It has been recommended that proper design of assessment and using this information can help improve the quality and innovation in terms of teaching and learning.[17] However, the CABE (2014) noted that CCE has not been adequately implemented or monitored. It recommended that there is a need to proactively communicate the intent of CCE among teachers for its effective implementation.[18]

Department of Higher Education

In 2021-22, the Department of Higher Education has been allocated Rs 38,351 crore (2% annual increase over 2019-20). This is 41% of the total budget allocation to the Ministry of Education. In 2020-21, the allocation for the department was Rs 39,467 crore, which was reduced to Rs 32,900 crore at the revised stage (17% decrease).

The allocation for the department has increased annually by 9% between 2010-11 and 2021-22. Figure 5 depicts the allocation to the Department of Higher Education from 2010-11 to 2021-22.

Figure 5: Allocation to the Department of Higher Education (2010-22) (in Rs crore)
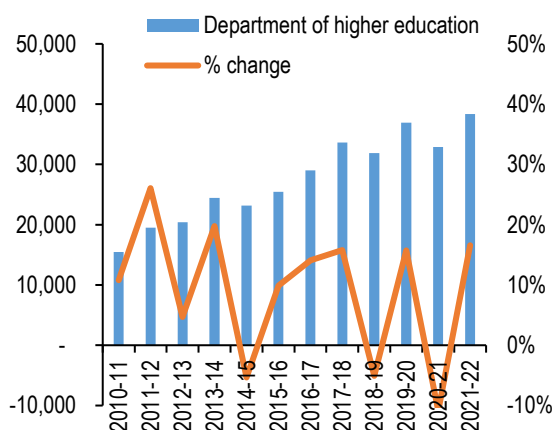
Note: Revised Estimates have been used for 2020-21 and Budget Estimates for 2021-22.
Sources: Union Budgets 2010-22; PRS.

Table 6 indicates utilisation of funds to the department between 2010-11 and 2020-21. The utilisation has been over 90% of the budget estimates in the last three years as seen in the table. In 2016-17 and 2017-18, the Department exceeded its budget estimates, i.e., crossed 100% utilisation.

Table 6: Comparison of budget estimates and the actual expenditure (2010-21) (in Rs crore)

Year	Budget Estimate	Actuals	Utilisation % (Actuals/BE%)
2010-11	16,690	15,472	93%
2011-12	21,912	19,505	89%
2012-13	25,275	20,423	81%
2013-14	26,750	24,465	91%
2014-15	27,656	23,152	84%
2015-16	26,855	25,439	95%
2016-17	28,840	29,026	101%
2017-18	33,330	33,614	101%
2018-19	35,010	31,904	91%
2019-20	38,317	36,916	96%
2020-21	39,467	32,900*	83%

Note: BE – Budget Estimate. *Revised Estimate
Sources: Union Budgets 2010-22; PRS.

Table 7 provides the major heads of financial allocation under the Department for 2021-22.

Table 7: Major heads of expenditure under the Department of Higher Education, 2021-22 (in Rs crore)

Major Head	2019-20 Actuals	2020-21 RE	2021-22 BE	Annualised Change
IITs	6,596	6,841	7,686	8%
Grants to Central Universities	7,989	8,634	7,643	-2%
Statutory and regulatory bodies (UGC and AICTE)	4,872	4,860	5,109	2%
National Institutes of Technology and IIEST	3,487	3,265	3,935	6%
Rashtriya Uchhatar Shiksha Abhiyan (RUSA)	1,278	166	3,000	53%
Student Financial Aid	2,070	1,208	2,482	10%
World Class Institutions	224	1,101	1,710	176%
Indian Institutes of Science, Education, and Research (IISERs)	791	993	946	9%
Digital India-e-learning	458	305	646	19%
Indian Institute of Science (IISc)	596	605	622	2%
Indian Institutes of Management	481	465	476	-1%
Indian Institutes of Information Technology (IIITs)	328	339	393	9%
Research and Innovation	257	284	237	-4%
Others	7,490	3,833	3,465	-32%
Grand Total	**36,916**	**32,900**	**38,351**	**2%**

Sources: Expenditure Budget 2021-22; PRS.

In 2021-22, the highest share in the departmental allocation is of grants to Central Universities and Indian Institutes of Technology (IITs) at 20% each. Other expenditure heads with a high share of departmental allocation among others are statutory and regulatory bodies (13%), and National Institutes of Technology, and the Indian Institute of Engineering Science and Technology (10%).

Allocation to World Class Institutions in 2021-22 is Rs 1,710 crore (176% annual increase over 2019-20). The government has granted the status of Institution of Eminence (IoE) to ten private institutions and eight public institutions.[19] These institutions have greater autonomy in admitting foreign students, fixing fees, and recruiting foreign faculty. Further, each public institution declared as an Institute of Eminence gets financial assistance of up to Rs 1,000 crore over five years.[20]

Issues in the higher education sector

Enrolment

As of 2018-19, GER in higher education in India is 26.3%.[21] A GER of 26.3% implies that 26.3% of people in the target age-group are enrolled in universities.

The States/Union Territories with comparatively higher GER in 2018-19 include Sikkim (53.9%), Tamil Nadu (49%), Delhi (46%), and Himachal Pradesh (39.6%), among others.[21]

Figure 6: GER in higher education (2014-19)
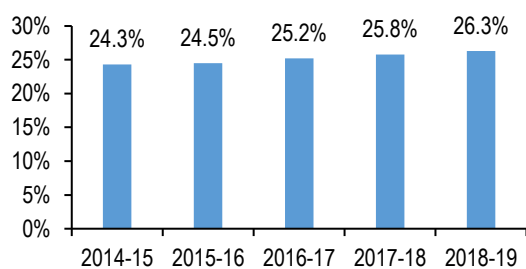
Sources: All India Survey on Higher Education, 2018-19; PRS.

The Standing Committee (2016) had noted that the Gross Enrolment Ratio (GER) in higher education in the country has increased due to the government of India's efforts of setting up new Central Universities in the country, including Indian Institutes of Information Technology (IIITs).[22]

The All India Survey on Higher Education 2018-19 report reveals that enrolment decreases as one goes further higher from undergraduate education.[21] Out of the total number of students enrolled in higher education, the highest enrolment is at the undergraduate level (79.8%) followed by postgraduate (10.8%). With regard to the types of disciplines studied, most students at the undergraduate level are enrolled in the Arts stream (33%), followed by Science (16%), Commerce (14%), and Engineering & Technology (13%). The leading stream at the post-graduate level is social Science, followed by Management. At the Ph.D. level, the majority of the students chose Science in 2018-19.

The NEP 2020 aims to increase the GER in higher education to 50% by 2035. This will be achieved by improvement in the capacity of existing higher education institutes by restructuring and expanding existing institutes.[7]

Further, NEP 2020 recommends that all institutes should aim to be large multidisciplinary institutes (with enrolments in thousands), and there should be one such institution in or near every district by 2030. Further, institutions should have the option to run open distance learning and online programmes to enhance the reach of higher education.[7]

Regulation of higher education

The NEP 2020 observes that higher education in India has been overly regulated with too little effect. It noted problems of concentration of power, conflict of interest, and a resulting lack of accountability in higher education regulation.

In India, higher education is regulated by multiple authorities. The University Grants Commission (UGC) regulates universities and colleges teaching general subjects. It is empowered with disbursing grants to universities for their maintenance and development, and with regulating fees charged by them. It also has powers regarding the recognition, functioning, and de-recognition of deemed universities. Failure to comply with UGC standards may result in withdrawal of grants or termination of affiliation of a college to a university if the college does not comply with fee structure and other regulations.[23]

The All India Council for Technical Education (AICTE) regulates universities or colleges offering technical courses such as engineering and management. These institutions are required to comply with the academic standards and regulations set by AICTE.[24] Additionally, institutions offering courses related to medical, legal, nursing, or architectural education are regulated by 15 professional councils such as the Medical Council and the Bar Council. These councils also conduct qualifying examinations for entering the profession.

For setting quality standards and accreditation, there are, currently, two accrediting institutions: (i) the National Board of Accreditation (NBA) established by AICTE, and (ii) the National Assessment and Accreditation Council (NAAC) established by UGC. The National Knowledge Commission (2009) had noted that only 10% of all institutions had been accredited.[25] The Standing Committee on Human Resource Development (2016) noted that accreditation of higher educational institutions needs to be at the core of the regulatory arrangement in higher education.[22] Further, the Committee recommends that credit rating agencies, reputed industry associations, and professional bodies should be encouraged to rate Indian universities and institutions.

The Standing Committee on Human Resource Development (2020) noted higher education to be of global importance.[26] The Committee recommended alignment of the higher education system in India with global standards by developing graduates with new skills, a broad knowledge base, and competencies. The Committee noted that this could be achieved by: (i) upgrading existing institutions, (ii) allocating more funds towards university-based research, and (iii) promoting collaborations among institutions.

The NEP 2020 has recommended a complete overhaul of the higher education regulatory structure. It states that the distinct functions of regulation, accreditation, funding, and setting academic standards should be performed by separate, independent bodies to minimise the conflict of interest and eliminate the concentration of power.

The Finance Minister stated that the legislation, to set up the Higher Education Commission of India, will be introduced in 2021-22. The Commission will act as an umbrella body with four separate arms for: (i) standard-setting, (ii) accreditation, (iii) regulation, and (iv) funding.[2]

Teacher related issues

As of September 2020, 6,210 teaching posts are vacant across 42 central universities which come within the purview of the Ministry of Education.[27]

The Standing Committee on Human Resource Development (2016) noted that this could be due to two reasons: (i) young students don't find the teaching profession attractive, or (ii) the recruitment process is long and involves too many procedural formalities.[22]

The Standing Committee on Education, Women, Children, Youth, and Sports (2021) noted that the current evaluation system of faculty recruitment is ineffective.[28] The Committee recommends transforming the National Eligibility Test to align with the latest modes of teaching and research. Further, the Committee observes a need for a mechanism to monitor faculty induction and development.

The NEP 2020 states that National Professional Standards for Teachers will be developed by 2022. The standards will specify expectations from a teacher at different levels of expertise. These standards will be revised in 2030 and thereafter every ten years to ensure the efficacy of the system.

Annexure

Table 8: Allocations to the Ministry of Education for 2021-22 (in Rs crore)

Major Heads	2019-20 Actuals	2020-21 Budget	2020-21 Revised	% Change from 2020-21 Budget to 2020-21 Revised	2021-22 Budgeted	Annualised change from 2019-20 Actuals to 2021-22 Budget
Department of School Education and Literacy	52,520	59,845	52,189	-13%	54,874	2%
Autonomous bodies	10,077	9,205	10,395	13%	11,192	5%
National Education Mission	32,377	38,861	28,078	-28%	31,300	-2%
-Samagra Shiksha	32,377	38,751	27,957	-28%	31,050	-2%
-Teachers Training and Adult Education	-	110	120	9%	250	-
National Programme of Mid-Day Meal in Schools	9,699	11,000	12,900	17%	11,500	9%
National Means cum Merit Scholarship Scheme	331	373	350	-6%	350	3%
Others	36	407	467	15%	532	282%
Department of Higher Education	36,916	39,467	32,900	-17%	38,351	2%
Student Financial Aid	2,070	2,316	1,208	-48%	2,482	10%
Digital India-e-learning	458	444	305	-31%	646	19%
Research and Innovation	257	307	284	-8%	237	-4%
Statutory and regulatory bodies (UGC and AICTE)	4,872	5,109	4,860	-5%	5,109	2%
Grants to Central Universities	7,989	7,643	8,634	13%	7,643	-2%
Indian Institutes of Technology	6,596	7,332	6,841	-7%	7,686	8%
Indian Institutes of Management	481	476	465	-2%	476	-1%
National Institutes of Technology and IIEST	3,487	3,885	3,265	-16%	3,935	6%
Indian Institute of Science, Education and Research (IISERs)	791	896	993	11%	946	9%
Indian Institute of Science (IISc)	596	592	605	2%	622	2%
Indian Institutes of Information Technology (IIITs)	328	393	339	-14%	393	9%
World Class Institutions	224	500	1,101	120%	1,710	176%
Rashtriya Uchhatar Shiksha Abhiyan (RUSA)	1,278	300	166	-45%	3,000	53%
Improvement in Salary Scale of University and College Teachers	1800	1,900	348.51	-82%	10	-93%
Higher Education Financing Agency (HEFA)	2,100	2,200	200	-91%	1	-98%
Others	3,590	5,172	3,284	-36%	3,454	-2%
Total	**89,437**	**99,312**	**85,089**	**-14%**	**93,224**	**2%**

Sources: Expenditure Budget 2021-22; PRS.

Indicators on school and higher education

**Table 9: Enrolment in education in 2016-17 (as a percentage of respective population)**

State/ UT	GER in Elementary Education (Class 1-8)			GER in Secondary Education (Class 9-12)		GER in Higher Education (Beyond Class 12)
	Primary	Upper Primary	Total Elementary	Secondary	Higher Secondary	
Andhra Pradesh	82.8	82.1	82.5	76.3	60.6	32.4
Arunachal Pradesh	106.2	119.9	110.4	85.9	51.2	29.7
Assam	107.4	96.7	103.7	78.6	39.7	18.7
Bihar	98.1	103.9	99.9	76.7	28.8	13.6
Chhattisgarh	97.1	100.8	98.5	87.7	54.5	18.6
Goa	101.3	97.1	99.7	99.3	78.7	30.1
Gujarat	95.0	97.2	95.8	74.5	43.2	20.4
Haryana	93.9	94.4	94.1	86.3	60.8	29.2
Himachal Pradesh	97.9	103.0	99.8	103.9	92.0	39.6
Jammu & Kashmir	77.1	66.2	73.0	61.7	52.9	30.9
Jharkhand	96.6	91.8	95.0	63.5	37.1	19.1
Karnataka	103.7	92.9	99.7	84.4	41.9	28.8
Kerala	95.1	93.6	94.6	99.4	79.4	37.0
Madhya Pradesh	92.1	89.7	91.3	80.2	47.1	21.5
Manipur	120.6	119.3	120.2	86.5	64.4	33.7
Maharashtra	97.5	98.7	97.9	91.7	70.7	32.0
Meghalaya	129.1	128.0	128.8	83.3	40.6	25.8
Mizoram	115.7	127.5	119.3	95.9	54.6	25.7
Nagaland	81.7	90.4	84.4	61.8	36.3	18.7
Odisha	100.2	94.6	98.1	79.9	40.1	22.1
Punjab	99.3	97.7	98.7	87.1	72.2	29.5
Rajasthan	97.8	92.0	95.8	76.6	60.3	23.0
Sikkim	92.0	136.8	106.9	112.0	64.2	53.9
Tamil Nadu	102.0	93.4	98.6	93.9	83.7	49.0
Telangana	98.6	86.9	94.1	81.8	50.6	36.2
Tripura	102.4	126.4	110.0	112.3	41.9	19.2
Uttar Pradesh	87.2	72.7	82.1	67.8	59.0	25.8
Uttarakhand	96.4	86.7	92.7	84.4	77.1	39.1
West Bengal	96.3	96.3	96.3	78.6	50.9	19.3
Andaman & Nicobar Islands	86.9	83.1	85.4	84.1	72.8	23.2
Chandigarh	80.1	95.6	85.8	89.7	83.2	50.6
Dadra & Nagar Haveli	82.9	91.6	86.0	91.2	51.8	9.3
Daman & Diu	84.0	81.1	82.9	73.3	34.6	5.5
Delhi	109.2	129.0	115.9	114.4	74.2	46.3
Lakshadweep	70.0	81.4	79.8	105.7	97.9	7.4
Puducherry	85.6	84.8	85.3	87.5	74.2	46.4
India	**95.1**	**90.7**	**93.6**	**79.4**	**55.4**	**26.3**

Note: Enrolment rate can exceed 100% due to early or late school entrance and grade repetition, or for example, children not in the 6-14 age group still being enrolled in elementary school. Data for higher education is of 2018.
Sources: Flash Statistics, UDISE 2016-17; AISHE 2018-19, Ministry of Human Resource Development; PRS.

Figure 7: State-wise GER in Elementary Education (Class 1-8) in 2016-17
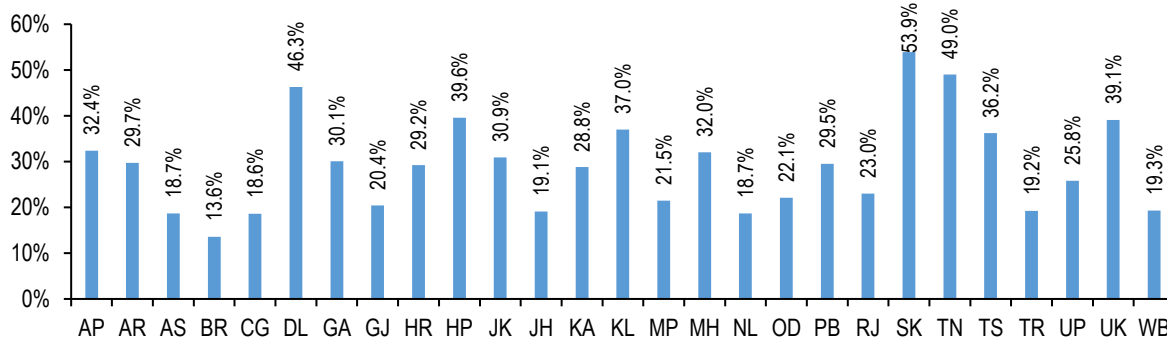
Sources: All India Survey on Higher Education 2018-19, MHRD; PRS.

Figure 8: State-wise spending on Education (2020-21)
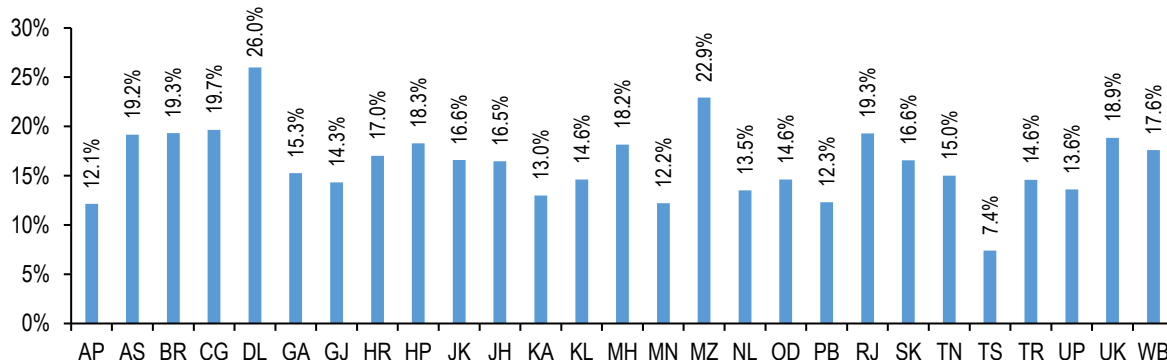
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