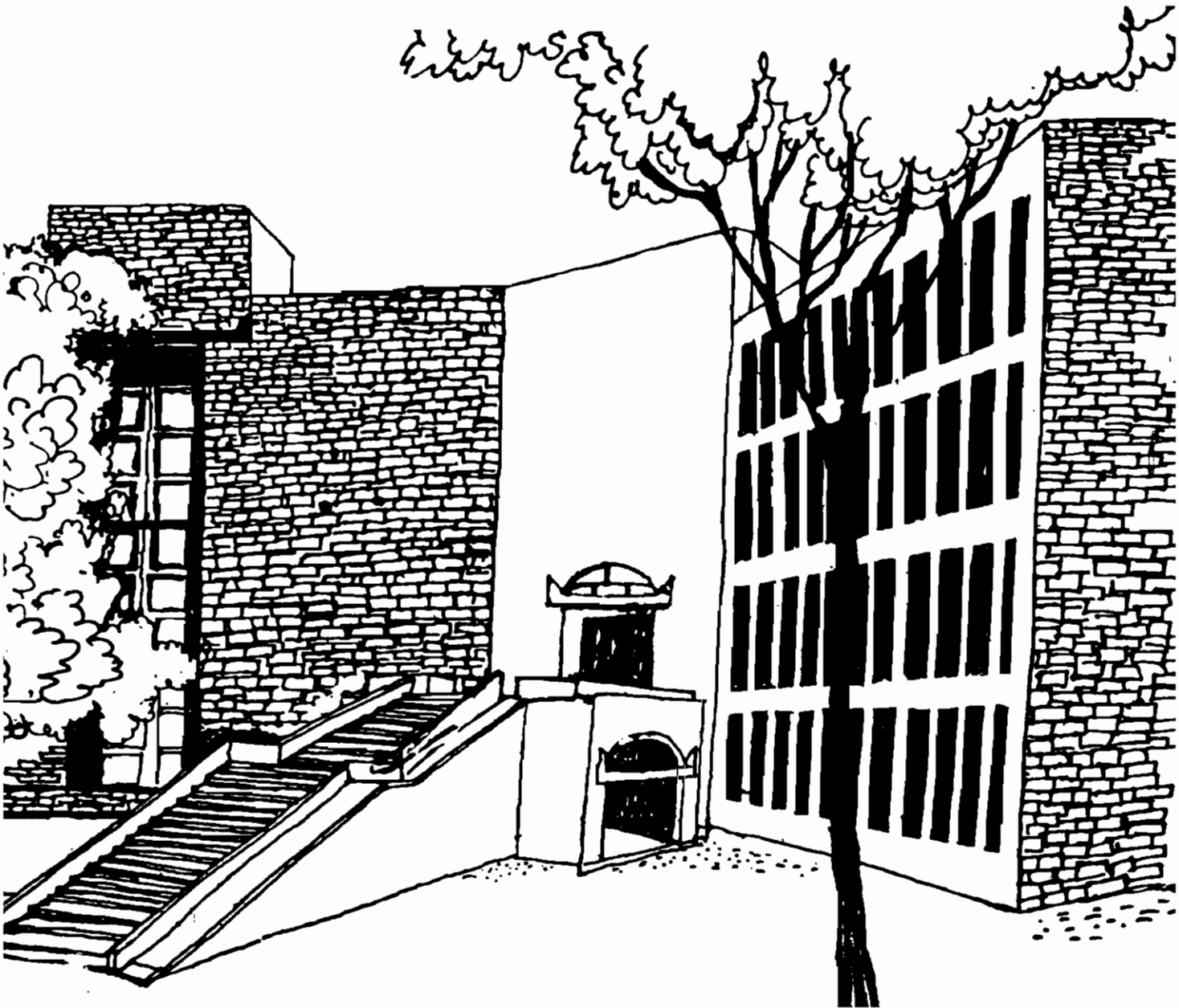




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**ADJUSTING' EDUCATION POLICY: OPPORTUNITY
FOR INSTITUTIONAL REFORM**

By

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**'ADJUSTING' EDUCATION POLICY:
OPPORTUNITY FOR INSTITUTIONAL REFORM**

P.G.Vijaya Sherry Chand¹

ABSTRACT

Educational policy-making has been motivated in independent India by a concern for equity and the belief that education is an instrument for reducing social inequalities. However, in spite of impressive achievements in school enrollments and access to higher education, the phenomena of out-of-school children, high drop-out rates and widespread illiteracy continue to provoke concern. With adjustment now underway, fears have been expressed that these problems may become even more intractable. This paper reviews the relationship between adjustment and educational policy, and the ways in which adjustment can affect educational outcomes. While it is too early to assess the full impact of adjustment on education in India, the experiences of other countries have indicated the need for containing the immediate negative impact. Policy making has already responded in this respect with protection of primary education allocations, external funding for additional projects aimed at achieving basic education for all, and financial stringency in the area of higher education. The history and persistence of basic education-related problems and the increasing pressures on financing higher education since the 1970s, indicate that problems in these areas have their roots in pre-adjustment structures and practices. Therefore, it is necessary not to let attention be diverted by responses which have focussed on financing of education or specific programmes initiated under social safety net adjustment credits. Rather, the period of transition should be seen as an opportunity for initiating institutional reform. Three themes are highlighted here as areas requiring debate -- (a) decentralization, less standardization and teacher development, especially in the context of primary education (b) 'privatization' of higher education, and (c) future linkages between education and employment. Such reform is necessary for a new and more "basic" thrust towards equity in educational policy, and for evolving a system of higher education more relevant to the emerging economy.

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I wish to thank Shri K. Ramamoorthy IAS, former Education Secretary, Government of Gujarat and Prof. Anil K. Gupta for their inputs during initial discussions on the subject.

Educational policy-making in independent India, so far, has been motivated by a concern for equity and the belief that education is an instrument for reducing social inequalities.² However, in spite of impressive achievements in primary school enrollment, expansion of facilities and access to higher education, the persistence of the phenomenon of non-enrollment among certain sections of the population, the high drop-out rates and the still unfinished task of creating a literate society are causes for concern. Obviously 'education for all' is a goal which has defied our 'equity-oriented' policies till now.³ With India joining the ranks of 'adjusting countries'⁴ a few years ago, fears have mounted that the negative impact of this move on the social sector may result in sacrificing equity concerns, making the task of reaching the out-of-school/illiterate sections of the population even more difficult. Some of the questions which arise are: Why are the tasks listed above still unfinished? Will adjustment

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2. The various Education Commissions have adopted this view. For instance, the Commission headed by Prof. D.S. Kothari asserted that for development to occur without violent revolution, and "even then it would still be necessary", education is the "one and one instrument only" which had to be used. According to Prof. Nurul Hasan the purpose of education is "to bring about social transformation, to create greater equality among the people and facilitate our progress towards socialism" (NCERT, 1972: 17).
 3. This paper does not go into the merits/demerits of positive discrimination. The policy of using education to promote social change through reservations does exist, but has been limited to the area of access to higher education. The issue is an extremely volatile one, and commands very visible political attention. Our focus here is on the relatively "dull" issues of access to basic education and literacy and related equity concerns which affect the vast majority of the Indian population, as higher education does not. "Indeed, those who are in greatest need of elementary education are also... in a particularly weak position to translate their needs into coherent and effective political demands" (Dreze and Sarin, 1993: 75).
 4. Adjustment is used here as a general term to include the macro-level stabilization and structural adjustment initiatives undertaken by many countries over the past decade and a half.

make the fulfilling of the tasks even more difficult? If it is expected to do so, what steps need to be taken to avoid the education sector-related pitfalls other countries have faced? How should intra-sectoral priorities be evolved and monitored? What are the institutional responses that the new policy environment demands of the administration?

This is not the juncture at which to go into detailed explanations of why the basic problems of non-enrollment among certain sections of society, and illiteracy and related issues have persisted. Suffice it to say that most out-of-school children come from backgrounds of ecological, socio-economic and gender-related deprivation. Thus, reproduction of poverty and the persistence of these educational problems are related.⁵ At the same time it must be acknowledged that one cannot wait for a desired state of social change to occur first; simultaneous efforts at the educational and socio-economic levels have to be initiated.⁶ Having said that, we now turn to recent developments in the education sector, with specific reference to India's hitherto brief experience of adjustment.

The framing of current Third-world educational policies in

5. For a discussion of the basic education problems of drop-out and non-enrollment see Vijaya Sherry Chand and S.R. Shukla (1993) and Vijaya Sherry Chand (1994). Also see Upendra-nadh (1993: 2417) for data on inequality in access to education.
6. The Ramamurti Committee which reviewed the National Policy on Education, 1986, hints at this approach while talking of vocational education: "Any effort at vocationalising education will carry no meaning unless, concurrently, the Government lays down appropriate Income and Wage Policy... policies concerning removal of economic disparities such as for land reforms, employment, health and nutrition etc. have to be concurrently established/re-viewed" (Towards an Enlightened and Humane Society, 1990:14).

the context of adjustment has been influenced by two trends in educational research: (a) studies which examine the relationship between education and development, (b) studies which look at the impact of adjustment on educational development. Studies in the first category over the last three decades have been especially promoted by the human capital theory of education as an investment (Schultz, 1961). The second trend is about a decade old and is primarily a response to the criticisms levelled against the negative impact of structural adjustment on social development. The first and second sections of this paper briefly summarize the important conclusions reached by these two trends of research, and examine recent trends in the responses of education policy to adjustment. The final section identifies emerging themes in institutional reform and highlights areas for policy action.

1.0 Education and Development:

Education influences and is influenced by development. Sociological perspectives on the relationship between education and development, and the role of educational institutions have included, among others, a functionalist perspective (education serves society's needs), education as a provider of opportunities (education can 'compensate' for society and change it), education as an instrument of capitalism (education as reproduction of inherently unequal structures), education as serving the interests of bureaucracy, (Phillips, 1984: 66-85). Each of these perspectives has its share of supporters and critics. However, given the focus of this paper on recent policy changes in the context of resource allocation choices, we confine ourselves in this

section to the influence of investments in education on development. As stated earlier, human capital theory has been an important influence on research of this kind. There have been criticisms of this influence and also of the specific evaluative indicators used -- for example, rates of return, (see for instance Jones, 1992). However, such research and the voluminous data collected by institutions like UNESCO and the World Bank have influenced education policy choices in developing countries. The rest of this section very briefly summarizes the evidence on the relationship between education and development.⁷

Education and economic growth: Most studies only indicate that in the presence of sizeable investments in education and subsequent high growth, such investments can explain part of the growth. However, the general indications are that large investments in education can be a supplementary course of action aimed at promoting growth.

Education and agricultural productivity: Education influences methods of production and the utilization of supportive services like credit etc. Wages of landless labourers increase as their educational status rises.

Rates of return: Social returns on educational investments are high enough to justify investment in human capital. Primary education shows the highest rates of return, followed by secondary and higher education. For instance, calculations of social

7. This part of the paper draws mainly on Haddad et al. (1990), Tilak (1989) and Tilak (1994). These review studies contain details on the measurable contributions of education and further sources of information.

rates of return for India (1978) showed returns of 29 percent to primary, 14 percent to secondary and 11 percent to higher education; private rates of return were 33 percent in the case of primary education, 20 percent for secondary education and 13 percent for higher education (Haddad et al. 1990: 7). Rates of return have been growing as a result of the demand for an educated labour force out pacing the supply of such labour.

Education of women: The benefits of education of women, not just in terms of equity considerations, but also in improved demographic profile -- lower fertility, improved health and nutrition are well known.⁸ However, girls constitute a majority of the never-enrolled category of children and the barriers -- cultural, domestic and economic -- to the education of women are still strong, though not immutable (see Khan, 1993 for a discussion of the South Asian context; and King and Hill, 1993 for a detailed discussion of general problems and appropriate interventions). Among four selected Asian countries -- China, India, S. Korea and Malaysia,⁹ India shows the greatest disparities in terms of enrollment, (see Appendix 1). India's primary education coefficient of discrimination is more than thrice that of China;

8. A feminist perspective, however, would see this argument as a reinforcement of existing gender stereotypes.

9. This paper frequently refers to the comparative performance of these four countries. Some limitations should be noted: the latest available comparative data usually refer to India's performance in the pre-adjustment period; the countries have adopted different strategies for educational development and are at various stages of literacy, the measurement of which varies from country to country. Appendix 5 presents a general comparison of these countries. Such comparisons should be treated with caution and refer to only trends in educational development.

its secondary education coefficient is more than twice China's factor.

Education, poverty and income distribution: The higher the levels of literacy and enrollments, the lower the proportion of population below poverty levels; also, "education contributes positively and significantly to reduction in income inequality" (Tilak, 1989: 90). Secondary education has a greater effect than primary education on income redistribution and greater subsidization of higher education means greater income inequality (ibid: 90-91).¹⁰

To conclude, the research results outlined above have directed policy prescriptions towards increased public spending on education in certain countries, more investments in primary education and freeing resources for primary education, cost recovery at the level of higher education (Tan and Mingat, 1992: 122-123), and investments in education of female children (Colletta and Sutton, 1989). We now turn to the second body of research, that which examines the impact of adjustment on education.

10. Again it may be argued that this conclusion is warranted only by a purely economic perspective on discrimination. When one considers the impact of gender discrimination, perhaps there is a case for subsidization of higher education for women, irrespective of the economic status of the family.

2.0 Adjustment and Education:

While it is too early to assess fully the impact of adjustment policies on educational access and achievement in India, the experiences of other adjusting countries may provide an indication of the pitfalls to be avoided. There has been over a decade of experience with the package of stabilization and structural adjustment programmes in many of the so-called Third World countries. The immediate negative social impact of structural adjustment, the benefits of which presumably accrue in the long term, resulted in the concern for "adjustment with a human face". The dimensions of such a modified adjustment strategy are well known (Cornia, Jolly and Stewart 1987; van der Hoeven 1991), and include, among other things, an emphasis on meso-level policies in addition to the macro focus, sectoral efficiency, 'compensatory' programmes like public employment generation, targetted food subsidies etc. and better and more frequent monitoring of human development. This concern resulted in the 'sector adjustment loans' and the more recent 'hybrid' loans designed to counter the unfavourable impact of adjustment on equity (Tilak 1992). Such loans are confined to specific sectors and sometimes only to specific sub-sectors, for instance primary education, or to specific inputs, for instance supporting increased allocations for textbooks and learning material (Lockheed et al. 1991).¹¹ With such modified strategies some countries have achieved protection of the vulnerable along with the undertaking of long-term

11. For a more detailed account of how priorities of lending policies have evolved see Jones (1992).

reform, but the continued negative impact on human development in major parts of Latin America and sub-Saharan Africa has been a cause for concern (Stewart, 1991). Many other studies also note the persistent negative impact of structural adjustment (see for instance Afshar and Dennis, 1992 and Gupta, 1993). Having said that, it is necessary to look into the specific ways in which adjustment affects education (Noss, 1991; Tilak, 1992 and Upen-dranadh, 1993), in order to identify areas for counter-action.

At a general level, macro-level adjustment implies (a) budgetary constraints, (b) squeeze on access to post-primary education, (c) cost recovery from users of post-primary education. Micro-level implications include the effects of changes in the household incomes and prices -- directly on the demand for education and indirectly on the quality of learning through effects on health and nutrition. More specifically, the immediate impact on education supply is through short-term squeezes on public expenditure. Kakwani et al. (1990) record the relationship between lowering of public expenditure on education and declining gross enrollments. Other supply-side effects include withdrawing of amenities, negative effects on teacher wages, fall in capital investments like school buildings etc. Also, there is a relationship between falling public expenditure and rising debt burden; that is, while the immediate impact on education budgets may not be negative, over time, debt servicing may force a reduction in real expenditure on education.

The common prescriptions to counter these effects are of two kinds: (a) fiscal and/ or legal protection of budgets through policy conditionalities -- for instance, the recent announcement

of 6 percent of GDP for education; (b) increasing efficiency of intra-sectoral allocations -- for instance, protecting the primary sector and 'freezing' budgetary allocations for higher education, where more emphasis on user fees is considered an appropriate shift. The support for this policy comes from research which indicates that cuts in primary education allocations tend to reduce demand whereas cuts in higher education induce more private expenditure. Thus, cost recovery mechanisms are seen as untenable at the primary level (though Tanzania has attempted this) while, at the higher education level, implementation of user-fees policies, including measures for student financing is seen as appropriate. Another aspect of the 'efficiency' not so often implemented is evaluation of social development programmes in order to increase the effectiveness of public resources deployed in education.

2.1 Public Expenditure on Education:

As stated earlier, one of the immediate effects of adjustment is the fall in allocations to the social sector. Some of the findings reported in Lockheed et al. (1991: 34-37) are summarized below. The share of education in total government expenditures fell between 1980 and 1986 in 12 out of 13 'intensely' adjusting countries, but in only three out of 12 non-adjusting countries with similar economic development levels. About 68 percent of countries undertaking structural adjustment in the 1979 to 1983 period reduced government expenditures, and in 15 low-income and lower-middle income countries which underwent adjustment in the 80s, the share of education declined from 4.22 percent of GNP in

1980 to 3.45 percent in 1985, the fall being more than twice that experienced by all similar countries put together. The effect of the reductions is often felt in spending on educational inputs per teacher or per student, pedagogical equipment and travel.

The importance attached to financing of education in most of the Asian countries is less than that in developed countries, and more seriously, the share of education in government budgets has shown a declining trend in the past (Tilak, 1994: 72). This may be a general trend, but in certain adjusting countries such a decline starts even before the adjustment period begins.

Before we come to the pattern of public expenditure in India during adjustment, a few comments on the pre-adjustment trends are in order. The rate of growth of public expenditure on education (Table 1) compares very well with the rates of the other groups of countries. The expenditure as percentage of GNP (Table 2) also compares well with low-income and low-middle income country groups. Average primary teacher salaries as multiple of GNP per capita are quite high and recurrent public expenditure per student in primary school as percentage of GNP per capita compares well with the statistics of other countries (Tables 3 and 4).

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Table 1: Growth of Public Expenditure on Education¹²

	Annual growth rate	
	1975-80	1980-85
Lo-inc	6.2	9.3
India	3.1	9.3
Lo-mid	3.9	-2.3
Up-mid	8.6	0.8
Hi-oil	-0.9	8.0
Hi-mkt	4.1	1.8

Table 2: Education allocations

	EDUCATION AS PERCENTAGE OF:					
	GNP			Govt. Expenditure		
	1975	1980	1985	1975	1980	1985
Lo-inc	2.5	2.7	3.0	7.2	8.0	9.9
India	2.8	2.8	3.3	8.6	10.0	9.4
Lo-mid	3.2	3.3	2.8	15.1	13.5	13.3
Up-mid	3.3	4.1	3.9	12.2	14.6	14.9
Hi-oil	6.9	4.0	7.1	11.9	8.3	11.8
Hi-mkt	6.0	6.2	6.1	17.0	17.3	15.6

Table 3: Expenditure on Primary School Teachers and Materials

	Exp. on teaching materials per student		Avg. Teacher Salaries	
	Constant 1985 \$	% of GNP per capita	Constant 1985 \$	Multiple of GNP per capita
Lo-inc	0.8	0.28	1037.2	3.9
India	0.4	0.14	1041.9	3.6
Lo-mid	1.8	0.18	2114.7	2.1
Up-mid	5.5	0.29	5465.5	2.1
Hi-oil	40.8	0.29	40227.0	2.9
Hi-mkt	52.4	0.62	21149.3	1.7

12. Tables 1 to 4 have been prepared from data provided in the Appendix of M. E. Lockheed and Adriaan M. Verspoor and others (1991). See Appendix 2 for further comparisons.

1. The classification of countries is based on GNP per capita (1986).

2. All category averages of rates and percentages are weighted means.

3. Number of countries is 120:

Category	Code	Number of countries
Low-income	Lo-inc	39
India	India	
Low-middle income	Lo-mid	34
Upper-middle income	Up-mid	26
High-income oil exporters	Hi-oil	4
High-income industrial market	Hi-mkt	17

Table 4: Recurrent Public Expenditure per student in Primary School

	At 1985 constant \$			As % of GNP per capita		
	1975	1980	1985	1975	1980	1985
Lo-inc	24.6	24.9	21.7	11.0	10.4	8.1
India	23.7	22.5	29.9	10.5	9.4	10.7
Lo-mid	63.0	68.1	80.9	8.3	7.5	9.2
Up-mid	164.6	228.1	197.3	7.0	9.3	8.5
Hi-oil	1859.7	1341.8	3312.6	18.4	6.1	23.3
Hi-mkt	1874.7	2132.5	2608.8	19.3	19.2	20.4

Taking a more restricted comparative view, India's public spending on education compares favourably with those of China and even Korea and Malaysia (Table 5):

Table 5: Public Spending on Education: (mid 1980s)

	India	China	Korea	Malaysia
In Budget (per cent)	13.7	7.8	16.6	16.0
In GNP (per cent)	3.0	3.3	3.4	6.0

Source: Tan and Mingat (1992: 106).

Thus, looking at comparative trends (which as mentioned earlier cannot be directly related to adjustment), it is difficult to criticize India's absolute allocations. However, in the context of recent budgetary allocations, there has been a lot of discussion within the country on development expenditure (Prabhu, 1994) and on the need for sensible public investment policy, (for example Taylor, 1994, points out how the S. Korean state intervened effectively, while the lack of such intervention backfired in countries like Argentina and Turkey). Central plan outlays for the social sector have increased in absolute terms, though the percentage fluctuated from 14.8 percent in 1990-91, to 16.3 in 1991-92 and 15.9 in 1992-93, with rural development declining from 6.7 percent in 1990-91 to 5.6 percent in 1991-92 (Ranadive, 1994). However, most of the social sector spending is undertaken

by the state governments, and it may be useful to look for state-level evidence.

Education Allocations: Gujarat state (1992-93, 1993-94, 1994-95)

As an instance of the pattern of public allocations to education, an analysis of recent financial allocation data of Gujarat state is presented in Appendix 3. The analysis indicates that the accounts for general education and total revenue expenditure for the years 1991-92 and 1992-93 were higher than the revised estimates, which in turn were higher than the budget estimates (Appendix 3.3). Given this fact, the budget estimates for the years 1992-93, 1993-94 and 1994-95 were used as a basis for comparative analysis (Appendix 3.1). The general education budget has been maintained around 87 to 89 percent of the total budget of the education department. Nutrition allocations, which cover the mid-day meal scheme showed a sharp increase from 2.59 percent in 1992-93 to 5.29 percent the following year and accounted for 4.56 percent in 1994-95, an overall increase of 155.41 percent. Within general education (Appendix 3.2), the sharpest increases have been in vocational education, Operation Black Board, the inspection system, additional primary teachers to take care of additional enrollments and conversion of one-teacher primary schools to two-teacher schools. Another significant allocation was the Rs. 2.8 crores set aside for the children of 'agariya' or salt pan worker families during each of the years 1993-94 and 1994-95. Thus, the state's focus on protecting primary education is reflected in the financial allocations. The allocation for primary textbooks, however, fell by 12.43 percent over the three year period. Appendix 3.4 compares the actuals for

1992-93, the revised estimates of 1993-94 and the budget estimates of 1994-95. The trend towards significant increases in elementary education is clear and perhaps the per capita education allocations (at current prices) are also rising, (this conclusion is tentative, see note to Appendix 3.4).

The above is only an instance of one state's allocations. Taking a broader perspective, one cannot ignore the fact that the states have been facing a financial crunch for quite a few years now. The trend towards a reduction of development expenditures, the declining share of the states in central taxes, the slow down in non-plan grants, the unattractiveness of small savings, the high interest on the central loans offered to counter the fall in tax revenue etc. lead to the conclusion that the deteriorating state finances and the financial stringency at the central level will constrain social-sector spending at the state level (Prabhu 1994: 1022-1023). Perhaps, these trends will become applicable to Gujarat also. Thus, while overall allocations may not be a cause for immediate concern, the difficult prospects for the future mean that social sector spending, and specifically education budgets, will have to be defended and protected. Simultaneously, one has to look at the prospects for release of resources.

In the context of Asian countries, Tan and Mingat (1992: 121) predict bright prospects for most of the countries in the matter of release of resources for education. The dependency ratio (ratio of school-age population to working adults) is expected to drop from 0.42 (1985) to 0.36 by 2000 AD. The difference between the predicted annual GNP growth rate of about 5 percent and the slowing down of the rate of growth of the school-

going age population to 1.3 is expected to release resources for education, provided the share of education is not affected and the costs grow at lower rates than GNP. India's position is very similar to the Asian average, in the sense that school-age population is predicted to grow at about 1.4 percent per annum and recent GNP predictions aim for the 5 percent target. Hence, holding down educational costs is an important consideration in order to utilize the expected resources more effectively. Additional evidence for focussing on efficiency of resource use is provided by the examples of Korea and Malaysia. The two countries have comparable educational coverages but Korea spends only 3.4 percent of its GNP on education whereas Malaysia spends 6 percent. Bangladesh and Philippines have similar spending levels but Bangladesh has a much smaller coverage (Tan and Mingat: 105-107). This implies that efficiency of resource use should be an important concern, regardless of the absolute allocations for education. Thus, along with the need for protection of state budgets (absolute allocations) noted earlier, efficiency of resource use is a crucial policy challenge. How efficient are we?

Countries vary in their approaches to educational resource-use policies, and comparisons of efficiency have to be made with caution. However, as seen in Table 6, India's performance in matters of retention, unit operating costs and appropriation of resources by the ten percent best-educated, leaves much to be desired.

Table 6: Educational efficiency: a limited comparison

	India	China	Korea	Malaysia
Percentage of population entering grade 1	83	90	100	100
Percentage of first year entrants surviving to last year in cycle				
Primary	37	68	97	97
Lower secondary	72	76	98	90
Upper secondary	65	81	95	96
Index of extent of intercycle selection	15	54	87	79
Unit operating costs of public education (percentage of per capita GNP)				
Primary	6	7	17	14
Secondary	17	23	23	21
Higher	231	199	71	190
Unit costs as percentage of the regional average				
Primary	61	68	167	143
Secondary	94	122	127	115
Higher	155	134	47	128
Over all	103	108	114	129
Distribution of public spending of education				
Share of 10 percent best educated	61	29	13	32

Notes:

Inter-cycle selection is the ratio between the proportion of grade 1 entrants eliminated at the transition between cycles of education to the total proportion eliminated from the system by the end of secondary schooling.

Source: From data in Tan and Mingat (1992: 106-116).

2.2 Intra-sectoral allocation and higher education:

As indicated earlier in the example of Gujarat, protection of primary education budgets seems to have been accepted as necessary.¹³ Higher education, however, has been directly ex-

13. Policy conditionalities imposed under Centrally-sponsored schemes may also play a supporting role here. For instance, the recently-launched District Primary Education Programme allocates additional funds for the selected districts, but the state is expected to at least maintain primary education budgets (in real terms) at 1991-92 levels.

posed to the pressures of financial stringency. This sub-sector of education has been characterized by faster expansion than primary education, with an average annual growth rate of enrollment of 9.7 percent over the period 1950 to 1983 compared to the growth rate of 2.5 percent in primary education for the same period (Acharya, 1994: 29). After the high annual growth rates of 12.4 percent between 1950-51 and 1960-61, and 13.4 percent between 1960-61 and 1970-71 (Raza, 1991: 40), the rates have slowed down. The compounded annual growth rate during 1988-89 to 1992-93 was 4.2 percent, with the average rate for the decade 1983-84 to 1992-93 being 4.4 percent compared to the rate of 3.8 percent for the previous decade (Government of India, 1994: 14-15). The enrollment at the beginning of the year 1993-94 was 48.05 lakhs, with the majority of students -- 42.33 lakhs or 88.1 percent being in first degree graduate programmes. Women constituted 33.1 percent of the enrollments -- 15.90 lakhs, (ibid: 81). This quantitative expansion of enrollments has put a strain on the resource position. To this issue we now turn.

In the context of policy prescriptions which advocate greater allocations for primary education, and freeing of resources for primary education, the strategies suggested for reducing a "higher education bias" include: (a) self-financing private institutions; (b) private financing in public institutions and (c) low-cost distance education (Tan and Mingat, 1992: 123-124). Korea has used all three strategies. Thailand has used (a) and (c), and the Philippines has relied on (a). In India, as far back as 1964-66, the Education Commission headed by Prof. D.S. Kothari, and more recently, the Justice Punnayya Committee, have

seen the debate on intra-sectoral allocations as an unfortunate setting off of one segment against the other. The Kothari Commission felt that the overall allocations for education were insufficient and thus recommended six percent of GNP for this purpose. As far as higher education is concerned, the Indian experience parallels world-wide trends of a boom in the 60s, a slump in the 70s and recovery in the 80s: real expenditure on higher education grew at 11 percent per annum in the sixties and fell to 4.2 percent in the 70s; the rate of growth for the first four years of the 80s was 7.6 percent (Tilak, 1993: 51). Some of the other trends in higher education may be noted (ibid: 53-59):¹⁴

- * the share of higher education in total education outlay has been going down steadily from the all-time high of 25 percent in the Fourth plan to 14 percent in the Seventh plan;

- * with the increase in enrollments, real expenditure per student (at constant 1970-71 prices) in higher education declined from the all-time high of Rs. 1143.77 in 1950-51 to Rs. 550.51 in 1983-84. Professional education has shown the greatest decline, with the engineering and technology, and veterinary science faculties registering negative growths;

- * recurring costs constitute 91 percent of total costs (1983-84), with roughly 70 percent of this going towards salaries. Only 1.5 percent of the recurrent expenses are for library books,

14. For an excellent study of trends in growth of expenditure on education considered as a whole, and the sources and determinants of such growth, see Prakash and Chowdhury (1994).

journals and other literature. This highly labour-intensive character of campus-based education has been one factor in the spread of distance education.

These trends, coupled with the declining share of non-governmental resources (see Table: 1) have led to the "crippling crunch"¹⁵ with respect to higher education.

Table 7: Source-wise contribution of funds for education (%)

	1960-61		1970-71		1980-81		1983-84	
	EDN	HE	EDN	HE	EDN	HE	EDN	HE
Government	68.0	53.1	75.6	60.4	81.7	72.0	83.1	79.6
Local bodies	6.5	0.4	5.7	0.5	4.4	0.8	5.6	1.1
Fees	11.2	34.8	12.8	25.5	8.2	17.4	7.5	13.8
Endowments etc	8.3	11.7	5.9	13.5	5.4	10.8	3.8	5.4

Notes: EDN = Total education sector; HE = Higher Education.

Source: Towards an Enlightened and Humane Society (1990: 343) and Tilak (1993: 60).

From the above table it is evident that the declining trends in non-governmental sources of finance, especially fees income, started well before the current period of adjustment. With the rising costs associated with the labour-intensive nature of education coupled with the political demands for matching inflation through dearness payments, fall in per student investments, and the progressive decline in non-recurring budgets, even the rising share of state finances is not able to match the demand for resources. In fact, the pressures of adjustment only imply a return towards the status of 1950-51, when government's share of higher education was 49.1 percent and the share of fees was 36.8

15. The debate has been taken up in the popular media. See for instance Thapa et al.(1993), K. Singh (1993), A. Singh (1993). Also see various issues of University News.

percent.

2.3 Recent policy trends in higher education financing:

As seen earlier, adjustment has meant priority to basic education, and a consequent readjustment of intra-sectoral allocations in favour of primary education. Along with this, the progressive deterioration in the resource position, which pre-dates adjustment, calls for hard choices in higher education reform. The future directions are best exemplified by the recommendations of the Punnayya Committee (University Grants Commission, 1993a), which looked at the position of the Central Universities supported by the UGC. Though the Committee did not consider the State Universities, its recommendations are equally applicable to them. The main thrust areas of the report are discussed and commented upon below.

* The experience of the developed countries indicates that higher education needs to be subsidized. User fees alone cannot contribute to maintenance and growth of the sector. Therefore, the state has a continued role in funding higher education. This reassurance serves to allay to some extent the fears expressed by higher education institutions regarding their survival. However, some of the questions which need to be tackled are (a) what will the extent of the state's responsibility be? (b) how will this be linked with the nature of the streams of higher education being offered by the Universities, for instance those with a high 'marketability' versus those without this advantage and (c) what will be the role of other 'public' but non-governmental sectors like

public sector industry, corporate sector etc.

- * The role of private resources in University financing has highlighted the need to move away from negotiated funding to a system of input funding, with a progressive shift towards student funding. The recommendation to move further towards student funding seems to be based on the experiences of the developed countries. The experiences of the last 15 years or so indicate that student funding is a very complex issue which has proved to be controversial. For instance, the relative merits of grant and loan funding, the effects of student funding on equity and efficiency concerns, the viability of borrowing for a particular kind of education which has poor 'marketability' etc. are questions needing more discussion. Having said that, we can foresee a mix of input funding and student funding in the future, rather than an 'either or' situation.
- * The Committee has recommended the unit cost system to replace the incremental budgeting followed till now, and has recommended unit cost estimates for determining maintenance grants. It has also recommended ideal ratios:
 - teacher to student = 1:12
 - teaching to non-teaching = 1:3
 - workload of teachers = 40 hours per week.
- * It links development grants to a system of academic audit and performance indicators.
- * It recommends mobilization of internal resources and specifies 15 percent of total recurring expenses to be covered by internal generations, in five years, and 25 percent at the end

of ten years. With the UGC assistance averaging 94 to 95 percent (University Grants Commission, 1993a: Table IX.1), any attempt by the Universities to raise fees and other income is bound to have a significant impact on internal resources raised. Prima facie, there is scope for raising fees. To what extent political compulsions will allow steps in this direction remains to be seen.

3.0 Emerging issues in institutional reform

First, a brief recapitulation of what has been said till now:

- * In spite of the equity-orientation of policy making, inequality in access to education and problems like non-enrollment and illiteracy persist. The recent phenomenon of adjustment has added to the fears that tackling such problems may become even more difficult.
- * The negative impact of structural adjustment on equity has led to "adjustment with a human face". Policies which attempt to create such a modified strategy of adjustment draw upon two areas of research -- the relationship between education and development, and the experiences of the adjusting countries.

through changes in household incomes and hence the demand for education. Budgetary constraints also imply that focussing on efficiency of resource use is important.

- * Policy making has already built upon such research and has responded with two different kinds of priorities for action in the field of financing education: (a) protection of investments in primary education and external funding of additional programmes to be undertaken through nonformal means, and (b) lessening the state's share in financing higher education.

Thus, there is clear difference in the way the two segments of basic and higher education are treated. We had earlier noted that perhaps talking of intra-sectoral competition may not be justified, that is, basic education may have to be considered as distinct from higher education; and that there should not be any trade-off between the two segments. The economic justification for such an approach is that -- to put it simplistically -- basic education is a public good with high externalities and therefore a weak private demand. Higher education, on the other hand, shows good private returns and high private demand; the social impact is relevant, but more restricted than that of basic education. Having said that, it is necessary to look beyond the immediate responses -- which it must be admitted are mainly financial in nature -- to adjustment policies. As noted earlier, the persistence of basic education-related problems and the increasing pressures on financing higher education since the 1970s indicate that problems in these areas have their roots in pre-adjustment structures and practices. Therefore, the present period of transition

offers an opportunity for at least initiating institutional reform.¹⁶ The rest of this section picks up three emerging themes which constitute important aspects of such reform. It should be noted that these are just some of the dimensions of reform; also, that they are treated here in very broad terms.

3.1 Primary education: Decentralization, less standardization and teacher development:

The world-wide trends towards education for all, the EFA Conference in Jomtien (1990) and the Delhi Declaration (1993) have served to focus attention on the persistence of ecology-related, socio-economic, and gender-determined barriers to mass education, and on the need for urgent steps for universal literacy.¹⁷ External funding, only for primary education, has also prompted an examination of alternative modes of delivery, though in the 'mission-mode'.¹⁸ Examples of such initiatives include the Bihar Education Project, the U.P Basic Education Project which is funded by the IDA, the Lok Jumbish and Shiksha Karmi

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16. See Fuller and Habte (1992) for issues related to developing capacities of governments to identify policy alternatives and implementation constraints, in the context of adjustment programmes.
 17. Kumar (1993) has argued that the timing of the state's mass literacy drive which coincides with the economy's move towards privatisation and the free market aims at creating part of the infrastructure needed for such an economy, in the form of consumers. This is not a condemnation of literacy *per se*, but a warning that what we assume to be its logical (liberating) outcomes may be thwarted and countered by its historical (timing) positioning, its means of implementation and the reasons for this implementation.
 18. For instance the Dutch-assisted Mahila Samakhya programme is implemented through state-initiated societies registered under the Societies Registration Act. The DPEP also envisages a similar approach.

Projects in Rajasthan etc. (Government of India, 1994: 221-228). However, the most visible and the most comprehensive effort is the District Primary Education Programme whose implementation started very recently (see Appendix 4). The goals of the DPEP are very specific and ambitious (Government of India, n.d: 4); the programme focuses not just on the supply factors, but also on the demand factors in areas where female literacy levels are low. The decentralized approach adopted and the experience with other externally-funded projects may help the project succeed where earlier efforts had failed. However, there is a danger that there will be excessive public and policy attention on such high visibility, mission-mode campaigns, to the detriment of the need for institutional reform. The real gains of the first phase of the DPEP should be the insights it generates for use by policy makers in non-DPEP areas.

A broad approach for implementation of reform in this direction in Gujarat may include the following dimensions:¹⁹

1. The first issue concerns the mechanisms for structural reform: in what areas and to what extent should there be centralization or decentralization?²⁰ Implicit in this decentralization

19. Many aspects of this approach were suggested by the Ravi J. Matthai Centre for Educational Innovation (RJMCEI), IIM, Ahmedabad as part of the UPE Plan of Action, (see Managing Universalization of Primary Education, 1994).

20. The Eighth Plan stresses a decentralized approach with the focus on district-level and population-specific plans. It also specifies micro-planning as an appropriate framework for ensuring universal access to primary education. Also, the recent Panchayat Raj Acts concretise the role of local government. The report of the Moily sub-committee appointed by the Central Advisory Board of Education to look into the implementation of Panchayat Raj specifies the roles, responsibilities and powers of local bodies at village, taluka and district levels.

debate are four sets of policy questions:

i) How will primary education be funded? If, in addition to the primary responsibility of the State to increase financial allocation, at least from the Ninth Plan onwards, other mechanisms for mobilization of local resources are to be introduced, what forms and direction will such efforts take? What role can a teacher play, if at all she should, in mobilizing resources from the community?

ii) Who will hold focal responsibility for setting educational policy? If local bodies are to interpret and implement policy how can the process be directed towards constructive support to the teaching community and functional monitoring of the quantitative and qualitative performance of the educational system?

iii) To what extent can the educational processes related to curriculum formulation and revision be decentralized?

2. The second trend questions the wisdom of standardization of policies across all geographical areas without reference to the necessity for flexibility in order to accommodate the needs of the 'problem' areas. In other words the argument is for less standardization.²¹ However, 'problem' is usually defined in terms of low levels of literacy. 'Educationally problematic' areas can be defined by using a combination of drop-out rates, enrollment percentages and literacy rates, (see Vijaya Sherry

21. See for instance, the Revised National Policy on Education (Government of India, 1992). The approach of the Eighth Plan and the recently-launched DPEP focus on district planning as a means of taking into account the specific needs of the different districts.

Chand and S.R. Shukla, 1993 for the methodology suggested for Gujarat state). Less standardization would then mean specific strategies in such areas in matters of teacher recruitment policies, transfer norms or even the structuring of schools.²² In addition, support for education of out-of-school children is an important component of such an approach. Voluntary agencies, which hitherto have tended to focus on issues of adults, have a vital role to play here.²³

3. Undergirding these two trends is the need to recognize the important role of the teacher and to focus on teacher development.²⁴ The low status traditionally accorded to the primary teacher, both in terms of remuneration and position in the education bureaucracy has led to the 'meek dictator' -- dictatorial in the classroom but powerless outside it (Kumar, 1990). However, the efforts of primary teachers to federate and the improvements in salary scales have enabled teachers to have more 'voice'. Participation of teachers in educational planning though, remains poor. In this context, the explicit recognition of the practices of innovative teachers, who in spite of structural constraints,

22. It must be acknowledged that the 'cost' of such targetting of policies may be perceived by the administration to be too high. Training interventions at the District Primary Education Office level should, therefore, be a necessary part of any strategy to increase educational levels in problem areas.

23. In Gujarat, a voluntary organization, 'Ganthar', aims at initiating programmes for out-of-school children in the educationally-problematic areas. See Vijaya Sherry Chand (1994).

24. This point has been emphasized many times in the past. See for instance Naik (1975). The National Policy Documents also pay attention to this aspect. However, the Chattopadhyaya Commission's Report (Government of India, 1986) was the first effort in independent India to look specifically into the role, problems and status of teachers.

have solves problems at the cutting edge of education, serves to introduce alternative sources of policy inputs.²⁵ In other words, locating the practices in the framework of teacher development will serve to motivate teachers, improve the present in-service training practices and institutions and build up a critical community of teachers.

4. Another important dimension has to do with utilization of information already available with the education department for enriching education management, and establishing mechanisms for processing the information to be generated by SSNA programmes like the DPEP. In short, the focus should be on building learning systems within the administrative structures, which draw upon the resources available within the system and facilitate the application of such resources.²⁶

3.2 'Privatization' and Higher Education:

There are many ways in which this term is used, but usually it refers to (a) an increase in enrollments in privately-run institutions, (b) privatization of finance or private participation in public institutions, (c) establishment of self-financed institutions in the private sector or (d) even the rare instances

25. The Gujarat Primary Teachers' Federation provides its members with opportunities to exhibit their innovations at district-level meetings conducted by it. However, these efforts are not linked with policy-making mechanisms.

26. Such initiatives are very important because they have the potential to tackle well-entrenched deficiencies in the administrative structures and are also low-cost. On-going research of the RJMCEI in this direction includes an examination of the possibility of using teacher-driven pedagogical, curricular and institutional innovations as policy inputs, and the scope for re-shaping the inspection system through using the information generated by inspectors and teachers, and studying the demand factors which affect local government management of primary education.

of conversion of public into private institutions. The performance of the private sector is not unproblematic, and will vary depending on the level of analysis -- individual institution, sector or system (Levy, 1993: 287). While much has been written on "state failure", "market failure", in the sense of responding only through demand-absorbing institutions and neglecting difficult areas like underprivileged students and regions, taking up the "easier" tasks and leaving the more expensive or difficult tasks to the state, has also been noted (ibid, 1993; Tilak, 1991).²⁷ Thus, privatization cannot be discussed only with respect to the financial dimension; other aspects of institutional management like certification, areas of work, autonomy and regulation of quality, user-fee policy etc. have still to be debated upon. However, the current pressures on institutions to respond with resource mobilization efforts is a challenge at two levels:

(a) for existing institutions it means institutional reform -- issues of performance and accountability, responsiveness to the needs of the various sectors in society and therefore, cultivating stake holders, efficient spending (and not just spending), become important. The state has been criticized for throwing this challenge at institutions which were "unprepared" and "not geared" to respond to it. There may be some truth in this criticism and it indicates the need for allocation of resources for developing a new mind-set and training for institution-building

27. Witness for instance the recent "capitation fee" controversy in professional institutions, mainly medical colleges. Also, the share of the state in research funding is much higher than that of private sources or industry.

for institutions of higher education.²⁸

(b) a second area, which is a challenge to the state itself, is planning for the kinds of educational institutions for the future; in other words, looking at the links between education and employment. This is an area of policy in which more urgent thought needs to be put in.

3.3 Education and Employment/ Unemployment:

While it is clear that education and employment/unemployment are related, the manner in which they are related is not clear, and ironically, "when education-employment relations are not strong, it appears that the relationship between education and unemployment is relatively very strong" (Tilak, 1994: 134). Regardless of the exact relationship between educational planning and economic planning, past trends indicate a high annual growth of 22.2 percent in the number of educated unemployed registered in the employment exchanges -- from 0.16 million in 1953 to 16.45 million in 1986. Also, over the years the waiting period has increased, increased levels of education mean reduced waiting periods, general university graduates show higher unemployment than professional graduates (ibid: 136). Education has absorbed a sizeable portion of the younger segments of the population which would otherwise have entered the labour market. Employment increased at a slower rate of 2.2 percent per annum over the

28. The Ravi J. Matthai Centre for Educational Innovation at the Indian Institute of Management, Ahmedabad has recently initiated, with support from the UGC, a newsletter for documenting curricular, pedagogic and institutional innovations undertaken by teachers in the country's Universities and colleges and for networking these institutions. It is hoped that the experiences of the teachers will provide a starting point for institution building in other institutions.

period 1951-1985 than the GDP growth rate of 3.76 percent per annum; growth of employment has corresponded to population growth (Prakash and Chowdhury, 1994: 151). As noted earlier, education has grown at a much faster rate than employment. Mis-match between specific kinds of education and the 'employability' of their graduates further complicates the picture.

The current focus on basic education will serve as a basis for raising the average grade attainment of the current school age population. This statistic indicates the educational status of the next generation of adults. India with 4.8 compares poorly with Indonesia (7.3), China (5.1), Malaysia (9.2) and Korea (11.4), and with the Asian average of 6.6 (see Appendix 5 and Tan and Mingat, 1992: 106). Monitoring of this indicator will show our progress on this front. The example of S.Korea is relevant in this respect. The increase in average grade attainment was achieved in stages -- the period of 1955 to 1965 was devoted to primary education, and the post-65 period started with a focus on junior and secondary education. China's grade-attainment is now bound to increase rapidly; the initial emphasis on primary and lower secondary education has enabled it to increase the literacy rate from around 20 percent in the early fifties to more than 70 percent in 1990 (Tilak, 1994: 54).

In comparison with the share of the formal sector in employment, the 'informal' sector's contribution is high (see for instance the pioneering work of de Soto, 1989). 'Education for self-employment' is a contentious, but unavoidable, area of debate. While the failures of vocationalization of secondary education are well known, the recent UGC document on vocationalization

zation of the first degree course is indicative of the need to move into relevant employment-related education (University Grants Commission, 1993b). What is missing in such debate is how the links between centralized agencies, local administrative and educational authorities, and the business sector are to be developed. Anticipation of future developments in knowledge-intensive economic formations and services (Haddad et al: 1) is essential to restructure post-basic education.

Conclusion:

In summary, the paper has attempted to present a case for treating the compulsion of adjustment not as the proverbial albatross round one's neck, but rather as an opportunity for enhancing a new and more basic thrust towards equity in educational policy. The value of social security net programmes in primary education lies in their potential to generate insights for institutional reform on a wider scale and for ways of reducing the high opportunity costs of primary education in educationally-problematic areas. The pressure on higher education, on the other hand, is an opportunity for evolving a system of education more relevant to the emerging economy.

APPENDIX 1
Gender disparity (Enrollment)

	Year	Primary (%)			Secondary (%)		
		Male	Female	CoD	Male	Female	CoD
India	1989	112	82	0.3659	54	31	0.7419
China	1989	142	128	0.1094	50	38	0.3158
South Korea	1990	107	110	-0.0273	88	85	0.0353
Malaysia	1989	97	96	0.0104	58	59	-0.0169

Note:

CoD = Coefficient of discrimination, defined as $[E(m)/E(f)] - 1$,
 $E(m)$ = Male enrollment and $E(f)$ = Female enrollment.
 A higher coefficient indicates greater disparities.

Source: Tilak (1994: 198-199).

APPENDIX 2

RECURRENT PUBLIC EXPENDITURE ON EDUCATION AS % OF TOTAL PUBLIC EXPENDITURE ON EDUCATION

	1975	1980	1985
Lo-inc	93.0	90.4	88.7
India	99.1	98.8	97.6
Lo-mid	76.0	80.2	86.6
Up-mid	82.2	86.2	87.4
Hi-oil	48.7	66.9	74.9
Hi-mkt	86.3	88.6	93.2

RECURRENT PUBLIC EXPENDITURE ON PRIMARY EDUCATION AS % OF: RECURRENT PUB.EXP.ON EDUCATION GNP

	1975	1980	1985	1975	1980	1985
Lo-inc	41.1	39.5	35.0	1.11	1.11	1.0
India	40.0	36.9	37.1	2.11	1.91	1.9
Lo-mid	42.2	35.2	49.4	1.11	1.01	1.2
Up-mid	39.9	38.6	35.7	1.01	1.21	1.5
Hi-oil	67.5	29.5	53.7	1.11	1.51	1.4
Hi-mkt	38.2	32.8	31.5	1.70	1.72	1.4

Source: This appendix has been prepared from data provided in the Appendix of M. E. Lockheed and Adriaan M. Verspoor and others (1991).

1. The classification of countries is based on GNP per capita (1986).
2. All category averages of rates and percentages are weighted means.
3. Number of countries is 120:

Category	Code	Number of countries
Low-income	Lo-inc	39
India	India	
Low-middle income	Lo-mid	34
Upper-middle income	Up-mid	26
High-income oil exporters	Hi-oil	4
High-income industrial market	Hi-mkt	17

APPENDIX 3

GUJARAT: Analysis of recent budgetary allocations

A 3.1 Analysis of budget estimates: Gujarat (Rs.Lakhs)

<u>REVENUE:</u>	1992-93	1993-94	1994-95	% of total		
	(1)	(2)	(3)	(1)	(2)	(3)
Interest payment	2512	2994	3672	2.33	2.22	2.35
Pensions/retirement	1125	1856	2015	1.04	1.38	1.29
General education	96089	117259	137836	89.12	86.88	88.11
Technical education	4027	4296	4251	3.74	3.18	2.72
Sports/youth services	762	823	939	0.71	0.61	0.60
Art/culture	327	397	415	0.30	0.29	0.27
Soc.security/welfare	16	18	20	0.01	0.01	0.01
Nutrition	2790	7138	7126	2.59	5.29	4.56
Secretariat	102	116	134	0.09	0.09	0.09
Other scientific res.	65	67	32	0.06	0.05	0.02
Total revenue	107815	134964	156440			
<u>CAPITAL:</u>						
Loans education etc.	17	17	6			
Loans govt.servants	191	195	265			
Loans misc.	1080	1383	1565			
Total capital	1288	1595	1836			
<u>TOTAL ALL</u>	109103	136559	158276			
Revenue/Total	98.82%	98.83%	98.84%			

	%increase (2)/(1)	%increase (3)/(1)
Interest payment	19.19%	46.18%
Pensions/retirement	64.98%	79.11%
General education	22.03%	43.45%
Technical education	6.68%	5.56%
Sports/youth services	8.01%	23.23%
Art/culture	21.41%	26.91%
Soc.security/welfare	12.50%	25.00%
Nutrition	155.84%	155.41%
Secretariat	13.73%	31.37%
Other scientific res.	3.08%	-50.77%
Total revenue	25.18%	45.10%
<u>CAPITAL:</u>		
Loans education etc.	00.00%	-64.71%
Loans govt.servants	2.09%	38.74%
Loans misc.	28.06%	44.91%
Total capital	23.84%	42.55%
TOTAL ALL	25.17%	45.07%

A 3.2 General Education: Item-wise break-up

	92-93 (1)	93-94 (2)	94-95 (3)	% inc. (2)/(1)	% inc. (3)/(1)	Avg % of tot.
MAINT.PRIMED	48500	62005	72505	27.85	49.49	52.11
EDU.FACILITIES	27000	32000	36500	18.52	35.19	27.19
COLLEGE EDU.FACILITY	5175	5215	7715	0.77	49.08	5.16
UNIV. GRANT	3040	3530	4024	16.12	32.37	3.02
MAINTENANCE GRANT	2003	2200	2500	9.84	24.81	1.91
ADD.PRIMED TEACHERS	1606	2167	2839	34.93	76.77	1.88
GOVT.SECY.SCHOOL	981	1081	1065	10.19	8.56	0.89
VOC. EDUCATION	672	1036	1508	54.17	124.40	0.92
GOVT. COLLEGES	590	721	835	22.20	41.53	0.61
INSAT	437	287	144	-34.32	-67.05	0.25
TRAINING	412	600	551	45.63	33.74	0.45
OBB	391	430	950	9.97	142.97	0.50
PRIMED TEXTBOOKS	370	374	324	1.08	-12.43	0.30
PRIMED CLASSROOMS	358	394	414	10.06	15.64	0.33
EDN DIRECTORATE	350	401	446	14.57	27.43	0.34
1 TO 2 TEACHERS	275	430	460	56.36	67.27	0.33
INSPECTION	275	450	550	63.64	100.00	0.36
HR SECY. SCHOOL	250	275	325	10.00	30.00	0.24
RURAL FUNC. LITERACY	225	0	0	-100.00	-100.00	0.06
DIET	200	218	200	9.00	00.00	0.18
GCERET	199	50	50	-74.87	-74.87	0.09
HR-EDN DIRECTORATE	198	217	222	9.60	12.12	0.18
ADULT EDN. PROJECT	171	188	256	9.94	49.71	0.18
JSN	161	189	189	17.39	17.39	0.15
BADP(PRIMARY)	143	160	180	11.89	25.87	0.14
FREE EDN. FOR GIRLS	8	31	10	287.50	25.00	0.01
SCHOOL COMPLEX	0	45	45			0.03
AGARIYA FAMILIES	0	280	280			0.16
OTHERS	2099	2285	2749	8.86	30.97	2.03
TOTAL	96089	117259	137836	22.03	43.45	100.00

A 3.3 Variation: Estimated (E), Revised (R), Actual (A)
General Education and Total Revenue Budgets

Year	GEN.EDU	TOTAL	Year	GEN.EDU	TOTAL
91-92 E	87602	98691	92-93 E	96089	107824
91-92 R	97067	111079	92-93 R	104274	114134
91-92 A	99309	112864	92-93 A	105035	119850
E-R/E (%)	-10.80%	-12.55%	E-R/E (%)	-8.52%	-5.85%
R-A/R (%)	-2.31%	-1.61%	R-A/R (%)	-0.73%	-5.01%

A 3.4 Gujarat Education Plan and non-plan allocations comparison of latest available data (Rs.Lakhs)

Sector: General Services
Major Head: General Education

Note: The data are from the Budget statements of the Education Department. The data for 1992-93 are the actuals, the 1993-94 data are the revised estimates and the 1994-95 data are budget estimates; also the population figures are crude approximations obtained by extrapolating from the 1991 census figures. Given these limitations, the conclusions are to be treated with caution, as only indicative of approximate trends.

Sub-major head	1992-93	1993-94	1994-95	% change	
	Ac (1)	RE (2)	BE (3)	(2)/(1)	(3)/(2)
Elementary	55022	69500	79422	26.31%	14.28%
Secondary	36797	42142	43048	14.53%	2.15%
University/Higher	10933	11666	12738	6.70%	9.19%
Adult Education	281	533	611	89.68%	14.63%
Language Development	72	95	103	31.94%	8.42%
General	1930	1740	1923	-9.84%	10.52%
TOTAL	105035	125676	137845	19.65%	9.68%
Approx. per capita (Rs)	250	294	317		

Sources: Appendix 3 has been worked out from budget statements of the Education Department, Gujarat. Statements courtesy Pathey, Ahmedabad.

Appendix 4

District Primary Education Programme:

This programme launched less than two years ago is "the primary education component of the Social Safety Net Adjustment Credit financed by IDA", (Government of India, 1993: 32). The ultimate target of the programme is 230 districts where the female literacy rates (1991) are lower than the national average. Initially the focus is on the districts where TLCs have been successful. An investment of Rs. 30 to 40 Cr. is envisaged for each district. The outlay for the DPEP during the Eighth Plan is Rs. 1950 crore, out of which Rs. 1720 cr. are from external resources. The Plan allocations for the programme in 1993-94 (revised) and in 1994-95 (estimates) is Rs. 40 Cr. for each year.

The DPEP is seen as a "new initiative to achieve Universalization of Elementary Education " (Government of India, 1994: 43). The departures in this plan, and therefore, the action components, are stated to be: district-level participatory processes for planning and management, a gender focus and school effectiveness through teacher training.

(For more details see Government of India, n.d., Govinda and Varghese, 1994).

Appendix 5a

Comparative Educational Statistics: India and selected Asian Countries

Note: Unless otherwise indicated, data refer to mid-1980s levels

	India	China	Korea	Malaysia
Literate adults (percent)	43	69	92	74
Gross enrollment ratio (percent)				
Primary	92	118	96	99
Secondary	41	39	75	53
Higher	9.0	1.7	31.6	9.0
(Malaysia figures include nationals studying abroad)				
Average grade attainment	4.8	5.1	11.4	9.2
This refers to the average educational status that the current school-age population may attain given current enrollment and cohort survival patterns.				
Projected rate of growth				
Population age 5-14 (1985-2000)	1.3	0.4	0.3	1.4
GNP in real terms (1990-2000)	4.8	6.6	6.8	5.0
Difference	3.5	6.2	6.5	3.6
School-age population as percentage of adult population				
1970	49	44	52	56
1985	44	33	31	41
2000	35	26	24	33
Percentage change 1985-2000				
1985-2000	-20	-21	-23	-20
Percentage of females in total enrollments				
Primary	40	45	49	49
Secondary	34	40	47	49
Higher	29	30	30	45
Pupils per teacher				
Primary	58	25	38	24
Secondary	20	17	34	22
Percentage of enrollments by type of institution				
Secondary (percentage of private to total)				
	67	0	40	2
Higher education				
Private	57	0	65	8
Regular public	37	69	21	61
Distance	5	30	12	1
Overseas	1	1	2	31
Fees in public education				
Secondary	12	3	34	4
Higher regular	5	0	46	6
Index of private financing in higher education				
	7	0	77	15
(Rate of cost recovery across all institutional types weighted by their share of enrollments)				

Source: Tables 6.1 to 6.5, Tan and Mingat (1992: 106-116).

Appendix 5b

	Population mn. (1990)	Growth 1980-90	GNP/cap. US\$1990	Growth 1965-90	HDI 90	HDI 93
India	849.5	2.1	350	1.9	0.439	0.309
China	1133.7	1.4	370	5.8	0.716	0.566
South Korea	42.8	0.9	5400	7.1	0.903	0.872
Malaysia	17.9	2.6	2320	4	0.800	0.790

Adult Literacy %	1960	1975	1985	1990
India	28	36	44	48
China	NA	65	NA	73
South Korea	71	93	95	97
Malaysia	53	60	74	79

Note: China figure under 1975 relates to 1972

Educational level of labor force

	Yr.	Total(mn)	% labour with:				Mean yr school
			(1) No sch- ooling	(2) Primary	(3) Secy.	(4) Higher	
India	1961	NA	89.9	7.3	2.2	0.6	0.5
	1981	225.2	66.6	21.4	8.8	3.2	1.9
China	1982	521.4	28.3	34.4	36.5	0.9	4.5
	1988	800.0	7.2	32.6	27.2	13.8	5.6
S.Korea	1969	NA	44.9	39.3	13.4	2.4	3.9
	1980	12.7	14.8	34.3	41.9	9.1	8.0
Malaysia	1967	2.9	27	57.4	13.8	1.8	5
	1986	NA	13.2	38.8	43.5	5.1	7

Notes: HDI = Human Development Index

Source: Compiled from Statistical Appendix in Tilak (1994)

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