



The Policy Brief series is aimed at stimulating policy discussion on specific issues by summarising results of research carried out in-house at NIPFP and elsewhere on the broad theme of **Financing Human Development**. Dissemination of these is a part of the research programme currently underway at NIPFP on the same theme, supported by the Planning Commission and UNDP.

UNIVERSALISING ELEMENTARY EDUCATION: AN ASSESSMENT OF THE ROLE OF THE SARVA SHIKSHA ABHIYAN

Anit N. Mukherjee and Tapas K. Sen

I. Introduction

India's flagship program for universalisation of elementary education – the *Sarva Shiksha Abhiyan* (SSA) is regarded as one of the largest such initiative anywhere in the world. Started in 2001-02, it has recorded impressive achievements by any yardstick. According to Ministry of Human Resource Development (MHRD) data, nearly 1,60,000 primary and upper primary schools have been opened, more than 6,50,000 additional classrooms have been constructed and 500,000 additional teachers have been appointed. Independent surveys show that nearly 92 percent of India's elementary school-age children are currently enrolled.¹ However, government's own surveys also show that there are still nearly 13 million children out of school – a figure which is still very substantial.²

At the beginning of the 11th Five Year Plan, SSA stands at a crossroads. While the last five years have seen frenetic

activity on expanding and upgrading infrastructure, appointment of teachers, setting up of training systems, and strengthening decentralisation of education to the district, block and *panchayat* level, the next five years will determine whether the investments have been translated into higher levels of educational achievement – the most important being improvement in the quality of education. Lessons need to be learnt at this stage to enable a more focused approach to financing and implementing the second phase of the SSA.

II. Assessment of SSA Financing

Given the experience of the last five years, two lessons stand out regarding the financing of the program. These can be categorised broadly into two parts – (i) financial coordination between the Centre and the states; and (ii) targeting of SSA programs to educationally backward districts.

1 Pratham. Annual Status of Education Report, 2006

2 MHRD. Out-of-School Survey, 2005

(i) Resource allocation among states

The structure of SSA was conceived as a demand-driven program that envisaged a partnership between all the decentralised tiers of the government right down to the *Gram Panchayat* level. Requirements for filling the infrastructure and teacher gaps at the lowest level (villages and blocks) are consolidated into the District Annual Plan, which is then consolidated at the state level into the Annual Work Plan and Budget (AWP&B).

The state AWP&B is then presented to a Project Approval Board (PAB) at the central ministerial level. A perusal of the minutes of the meetings of the committee indicates that the final figure for the states is more often than not an outcome of bargaining between the two sides.³ The additional complication is that since SSA is implemented by district and state-level societies, there is frequently a budgetary spillover, which is then incorporated into the AWP&B of the subsequent year.

There is a need to limit the discretion of the PAB at the centre to modify the state-level annual plans. If SSA is essentially a demand-driven program, then it should be left to the states to decide on the final outlay for the program, particularly when a sharing arrangement has been built into the scheme. There has so far been no operative overall resource constraint in SSA to necessitate pruning of the state plans. In fact, it is the implementing capacity of states, particularly the relatively backward ones and the ability to put up the matching allocations by them that has proved to be the constraint. The annual ritual of drawing up and consolidating work-plans degenerates into an exercise where the usual line items such as buildings, classrooms and teachers are catered to, while more pressing interventions such as innovation and quality are left unattended.⁴

The problem can be taken care of if two parameters

are monitored – the extent of budgetary spillover and the contribution of the state government. If the state government contributes its share of the SSA plan by the third quarter, it would indicate that the sub-national government is serious about providing adequate resources for universalisation. Absence of spillover would indicate that adequate implementation capacity at the local level exists, and there is no reason for the centre to revise the figures drawn up through the AWP&B process at different levels of decentralisation.

(ii) Resource allocation within states

The second issue concerns whether allocations and expenditure within a state – as well as within a district and block – is in line with the objectives of the SSA. States in India are larger than many countries, and consequently require more decentralised analysis *vis-à-vis* specific areas of concentration of out-of-school children, lack of infrastructure, teachers etc. One of the main objectives of SSA was to address inequities in education in terms of access and outcomes by aligning financing with the needs of particular regions and communities. In that sense, preliminary examination of the data points to significant underachievement in this objective.

District-level analysis bears this out even for a better-performing state like Tamil Nadu. The share of SSA going to a relatively advanced district like Coimbatore is more than double compared to the worst performing district – Karur – with eight times higher rate of out-of-school population (see figure). The Tamil Nadu case is just an example – it has also been observed for other (including more backward) states such as Madhya Pradesh, Orissa and West Bengal.

It may be argued that the scale of operations is important, which is not fully reflected in the *percentage* of out-of-school children. However, multiple regressions using

³ The negotiation for Orissa, for example can be accessed at: http://education.nic.in/ssa/240406or_pab.pdf

⁴ Dhir Jhingran and Deepa Sankar. Orienting Outlays toward Needs: An evidence-based, equity-focused approach to Sarva Shiksha Abhiyan. Mimeo.

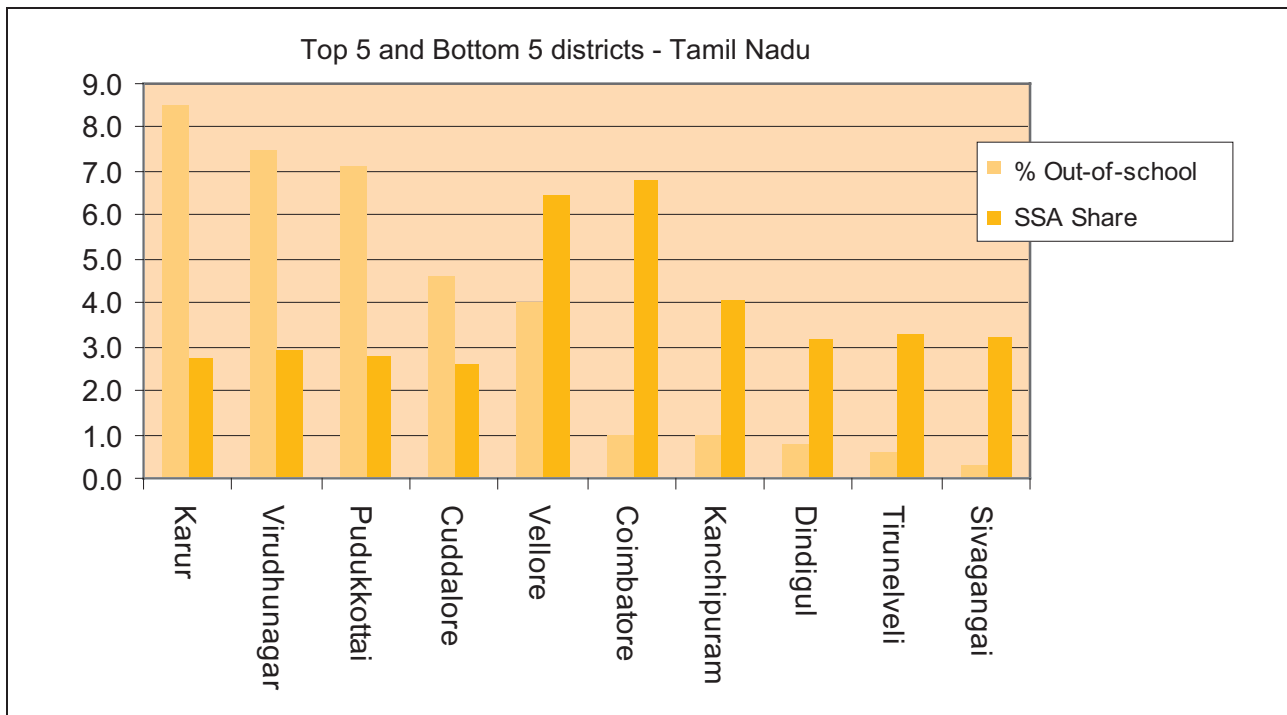


Figure: Mismatch between Objectives and Allocations under SSA

district level data indicate that scale of operations is indeed important; but it appears to be the *only* important factor. Controlling for scale, it has been found that need factors do not determine the share of SSA resources in the four states studied so far. A similar analysis by Jhingran and Sankar (*op. cit.*) confirms this for inter-state allocation of SSA funds as well.

III. Looking Ahead to SSA – Phase 2

Over the next five years, the major change in the financing of SSA will be an increase in the share of contributions by the state governments. States' share of SSA funds will rise to 50 percent from the earlier share of 25 percent. Most state governments showed unwillingness to increase their expenditure on the program, and a few of them failed to contribute the requisite 25 percent over the last phase. Given the increase in tax collections by sub-national jurisdictions, greater spending on education will have to be a priority if the SSA objectives have to be fulfilled.

Financing elementary education in the long run remains the prerogative of the sub-national government, and those that do not do so will lose out in terms of achieving their development goals.

There are already instances of a rollback in some states, possibly as a response to the rise in the state share in total SSA expenditure. In Orissa for example, a drive is under way to close down primary schools that do not have adequate number of students and which have other schools within a specified distance. This may be prompted by efficiency considerations and therefore justifiable. However, the fact remains that it is a reversal of the unidirectional policy of expansion prompted by the earlier phase of SSA when the bulk of the funding came from the Government of India.

Research conducted at NIPFP has shown that most states will close the infrastructure and human resource gap in elementary education by the middle of the Eleventh

Five Year Plan. The educationally backward states will continue to receive grants mandated by the 12th Finance Commission specifically for supplementing state resources for SSA. In such a case, there is considerable flexibility available to reorient SSA towards a more focused approach in improving teaching standards, reducing drop-out rates, and increasing the learning achievement of students at the elementary level. To achieve this, the system of fund allocation among states at the first instance, and then within states, will have to be guided by something more than just what is demanded. In any case, the system is not fully demand driven as it is, since AWP&Bs are not accepted *as they are*.

Moreover, there is reason to believe that the annual work plans put up by the educationally more backward areas tend to be less ambitious than the others; available expertise in drawing up such plans in a fully articulated and consistent manner may explain this phenomenon since

such availability is in direct proportion to the educational achievements in an area. But that cannot be a reason for depriving needy areas from the deserved allocations. This policy shortcoming argues for formally allocating at least a part of the available funds – at the central, the state and the sub-state levels – on the basis of objective indicators of educational achievement. The MHRD tries to do this by identifying focus districts, and reserving a part of the total allocation under each category of expenditure for the focus districts. This is actually an inferior method of targeting, since (a) the identification is based on indirect proxies of educational indicators (essentially social composition of the population of the district), which is unnecessary since more direct indicators are available and (b) it still leaves open the issue of allocation within the subset of focus districts. Direct application of educational indicators should improve targeting, eliminate the second problem and leave less scope for discretion.