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India's Education Sector Reforms: An Evolutionary Analysis

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Abstract: Education is the most important contributor to the creation of human capital, which can be provided through schooling, training and experience. India has made large progress in schooling since independence but educational attainment still remains quite low. It plays a key role to develop a country's wellbeing and capacity of self-sustaining growth and development. Without the spread of mass education, no country has been able to progress in terms of development nor in other aspects. This paper seeks to analyze the evolution of Education sector (primary, secondary and tertiary) in India with respect to literacy rate (including male female comparison), expenditure, enrolment and privatization. Attempt has also been made to show comparison of India's Education sector with rest of the world.

Index Terms **- Human Capital, Literacy Rate, Indian Education Sector, Privatisation, Global Perspective**

I. INTRODUCTION

Education is the most important investment in human development. Education essentially creates human capital and it is human capital that serves as an engine of economic growth. More educated labor force means greater returns on research and development, easy adoption of new advanced technologies and less resistance to change. These, in turn, increase efficiency and productivity and propels economic growth.

Since independence, education scenario in India has improved significantly. Expenditure on education by the education and other departments as a percentage of Gross Domestic Product (GDP) has increased from 0.64% in the year 1951-52 to 4.31% in the year 2013-2014. This figure is still less in comparison to some of the developed countries of the world.

In India, in the year 1950, the Planning Commission was entrusted with the task of chalking out development of various aspects of life, including education. Thereafter, successive plans (usually on a five-year basis) were framed and implemented. With respect to the development of human resource, the primary objectives of these plans were to achieve universal elementary education, to eradicate illiteracy , to establish vocational and skill training programs, to upgrade standards and modernize all stages of education, with special emphasis on technical education, science, and environmental education, on morality, and to provide facilities for high-quality education in every district of the country. The national department for education is the Ministry of Human Resource Development (MHRD), headed by a cabinet minister. In post-independence era, the two most important education policies were the National Education Policy of 1968 and of 1986. The policy of 1986 had succeeded in achieving the highest growth in literacy in 1991 at 15.52%.

Compared to most of the developed countries, India's GDP share is still quite less. As of 2011, the percentage of education expenditure as a part of GDP in countries of Norway, USA and UK were 6.46%, 5.21% and 5.71%, respectively while that of India's was 3.84%.

The literacy rate in India has significantly increased from 18.33% in 1951 to 74.04 % in 2011. In 1981, there were 664,700 schools compared to 230,700 in 1951, indicating a 65% increase in the total number of schools within 30 years. In 1950-51, there were only 28 medical colleges; the number had increased to 165 with 40 dental colleges in 1998-99. In 1951, there were only 27 universities; this number had increased to 254 in 2001. In recent years, it has been observed that there are more than 1.5 million schools with 751 universities and more than 35,539 colleges. So it can be said that on quantitative terms, India's initiative to promote the growth of learning has succeeded to a vast extent and is expected to improve further in the coming years.

The initiatives taken by the government include the passing of The Right to Education Act that came into force in April 1, 2010 and the establishment of the Sarva Shiksha Abhiyan (SSA) that made elementary education mandatory for children between the ages of 6 and 14 years. The SSA also includes the National Literacy Mission that targeted people between ages of 15 to 35 years and the Mid-Day Meal Scheme that attempted to increase the attendance in schools and provide nutrition at a nominal rate in government aided institutions.

With respect to the SAARC countries, in 2012 government expenditures as a percentage of GDP of Bhutan (5%) and Maldives (4.31%) are higher than that of India (3.87%), while that of Nepal (3.75%) is almost as close to India's; and the rest – Afghanistan (2.53%), Bangladesh (2.18%) and Sri Lanka (1.50%) – lag behind that of India's.

Given this scenario of India's education sector as a whole, the current exercise attempts to show the pattern of investment in education in India since independence, analyzing the trends and growth in the three sectors of education (primary, secondary and tertiary), contribution of the government, degree of privatization and, in addition, a comparison of the same with some of the foreign countries.

II. LITERATURE REVIEW

When the British had left India, the literacy rate was only 18% and it continued to be low for quite some years. In I953 less than 28 million children were enrolled in schools out of a total population of some 380 million. Education is an important tool for brightening the future of a country and it is the due to the lack of education in olden times and today that many countries are lacking in progress and the citizens are experiencing low standards of living. Rabindranath Tagore remarked: "In my view the imposing tower of misery which today rests on the heart of India has its sole foundation in the absence of education."

According to Dreze and Sen (2013) education policy in India since independence has been characterized by deep inconsistency between ends and means. One of the directive principles of the Constitution (Article 45) urges the state to provide free and compulsory education up to the age of 14 by 1960. This was an ambitious goal and the practical measures that were taken to implement it have fallen short of what was required. To this day, the provision of educational facilities remains completely out of line with the stated goal of universal school education until the age of fourteen.

Analyzing the pre-liberalization data, Nambissan and Batra (1989) observed that "India is by all estimates an educationally backward country. While barely 36 per cent of the total population is literate, as many as 55.8 per cent (over 1,000 lakh children) between 5 and 14 years of age do not attend schools. More than 80 per cent (i.e. over 857 lakhs) of these children belong to rural areas."

Although expenditure in education has in absolute terms increased in the years after independence, the Indian education system has been characterized with a severe degree of under investment as noted by Tilak (1997). He stated: "the educational expenditure increased in current prices from Rs. 55 crore in 1947 to Rs. 25,000 crore as per the latest available statistics – a phenomenal 450 times increase. But this impressive growth is belittled by (a) rapid growth in population, (b) phenomenal increase in student numbers, and, above all, (c) escalation in prices. The real increase in expenditure per student has been rather very modest." Tilak had contributed significantly in identifying investment in education as an engine of development in Asian countries. His prominent articles in The Handbook on Educational Research in the Asia Pacific Region (2003) identifies education systems in many developing countries of Asia and Pacific to be filled with continuing crisis, with overcrowding, inadequate staffing, poor physical facilities, insufficient equipment and declining public budgets.

According to Todaro and Smith (2012), people who are illiterate have limited capacity to take advantage of market opportunities when these emerge as can be seen by the case of India and China: "both countries have had restraints on the market in the past. But China invested heavily in basic education and health. When China liberalized, beginning in 1978, it started with a literate, numerate and at least relatively healthy population, and the result has been high growth. When India finally began to liberalize around 1991 or shortly thereafter, nearly half the adults were still illiterate, and many were still lacking in basic nutrition and healthcare. As Amartya Sen pointed out, this may be one explanation for China's better growth outcome after market liberalization after India's."

Stiglitz (2005) argued, "The East Asian economies emphasized the role of government in providing universal education, which was a necessary part of their transformation from agrarian to rapidly industrializing economies. Universal education also created a more egalitarian society in East Asia, facilitating the political stability that is a precondition for successful long term economic development." It was also mentioned that "human capital accumulation was every bit as important as—if not more important than—increase than physical capital."

According to Sen and Dreze (2013) the expansion of school education has been remarkably slow in India – much slower than in East Asia. Indeed, India has been lagging behind East Asia by a long margin. Bangladesh, despite being much poorer than India, has caught up with – and in some ways overtaken – India in the education of girls. Nepal is even poorer, and had less than half of India's literacy rates as recently as 1980, but has almost caught up with India too, in the younger age groups. And even the literacy gap between India and Pakistan looks much smaller today (though it is still to India's advantage) than it did thirty years ago. Taking the case of Indonesia where performance was not good in 1960s, compared to India, it has been observed that literacy is more or less universal in the younger groups today.

Sen (2013) has also mentioned that the growth of education sector in India has been much slower in comparison to the East India. In relation to the neighboring countries of Bangladesh and Nepal Sen has remarked that they have not only grown rapidly, but have also overtaken India in many regards. Education has been neglected in case of females in elementary education sector in particular and other sectors in particular.

Sen also shows concern about the quality of education especially in early levels of education. It is the inefficiency in state run schools that even parents with limited incomes prefer to send their children in private schools. One of the evils of emergence of private schooling is that the owners of these private school see these schools as centers of commercialization.

National Sample Survey (NSS) for 1999-2000 reveal that 30% of children between the ages of 12 and 15 had not completed primary schooling. While gender gaps have narrowed, caste and religion gaps remain significant. In 1999-2000 the percentage of rural boys and girls of ages between 12 and 15 was 66% and 58% respectively.

Tilak (2014) pointed out the alarming growth of private higher education in India – an important feature of the very high rate of growth of higher education, particularly since the beginning of the 1990s; the size of the private sector is about twice that of the public sector in terms of number of institutions and student enrollments. This has several consequences, some of which are

already being felt. Apart from several claimed advantages of private higher education, his article draws attention to the dangers involved in a high degree of dependence on the private sector for development of higher education in a country like India.

III. OBJECTIVES OF THE STUDY

On the basis of the discussion made so far, we now spell out the objectives of the paper. These are to:

- To show the pattern of growth in expenditure on education as a percentage of GDP since 1990-91;
- To trace the growth and evolution of India's education sector with respect to the number of recognized institutions (primary, secondary and tertiary) and enrollment ratios;
- To shed light on school dropout rates, including male-female comparison, and exploring major reasons for drop outs;
- To analyze the gap in male-female participation in education and reasons behind the gender gap;
- To show the degree of privatization in primary, secondary and tertiary sectors of education; and

IV. RESEARCH METHODOLOGY

The methodology of the paper is going to be mostly narrative. For analysis of the statistical data, we shall mostly rely on standard statistical tools and techniques, especially relying on tabular and graphical presentation of the data.

The data base of the paper is secondary. We have mostly relied on the Government of India statistics, especially the reports and the data published by the Ministry of Human Resource Development (MHRD), Government of India (GOI).

V. ANALYSIS OF EDUCATION SECTOR STATISTICS

5.1 TRENDS IN GROWTH OF EDUCATION EXPENDITURE

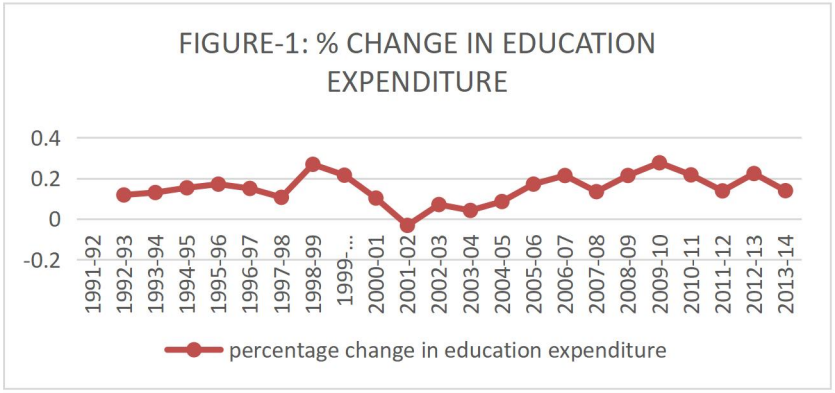
In Table 1 we have furnished current price data on GDP and expenditure on education since 1991-92, i.e. the since the launching of the economic reforms in India. The corresponding annual percentage changes (or, year-year growth rates) have been depicted in Figure 1. We observe that the percentage change in GDP has fluctuated less in comparison to the percentage change in education expenditure by education and other departments. In the 1990s, the year-year growth rate in education expenditure had been highest in 1998-99 (27%) while it recorded a negative growth rate in 2001-02 over the previous year. The absolute growth in education expenditure is more pronounced from 2007-08 onwards. The percentage change for the three consecutive years 2008-09, 2009-10 and 2010-11 had been 21%, 28% and 22%, respectively, with 28% being the highest over the period under consideration.

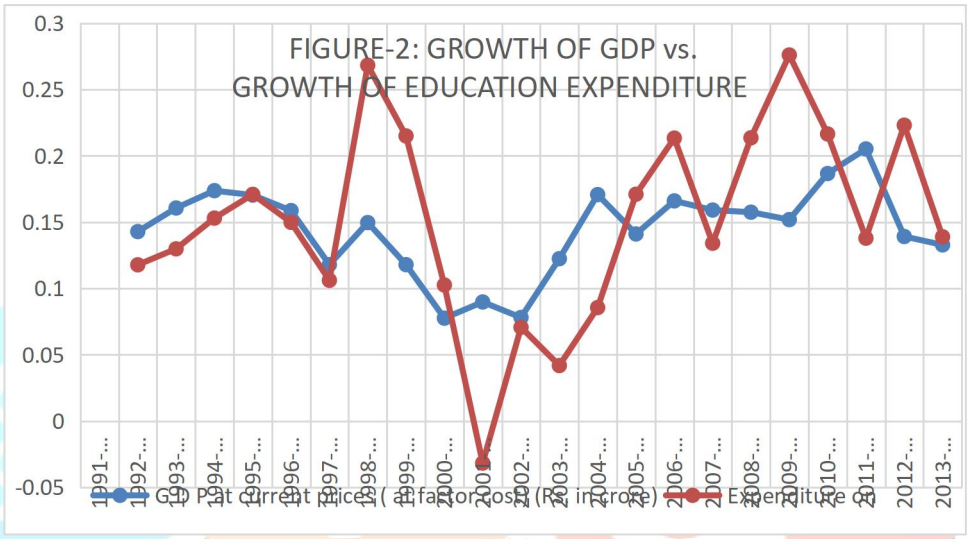
TABLE-5.1: ANNUAL % CHANGE IN GDP AND EDUCATIONAL EXPENDITURE

Year	GDP at Current Prices (at factor cost) (Rs. In crores)	Percentage Change	Expenditure by Education and Other Departments (in Rs. Crores)	Percentage Change
1991-92	589086	xxx	22393.69	xxx
1992-93	673221	14%	25030.3	12%
1993-94	781345	16%	28279.69	13%
1994-95	917058	17%	32606.22	15%
1995-96	1073271	17%	38178.09	17%
1996-97	1243546	16%	43896.48	15%
1997-98	1390148	12%	48552.14	11%
1998-99	1598127	15%	61578.91	27%
1999-2000	1786526	12%	74816.09	21%
2000-01	1925017	8%	82486.48	10%
2001-02	2097726	9%	79865.7	-3%
2002-03	2261415	8%	85507.34	7%
2003-04	2538170	12%	89079.25	4%
2004-05	2971464	17%	96694.1	9%
2005-06	3390503	14%	113228.7	17%
2006-07	3953276	17%	137384	21%
2007-08	4582086	16%	155797.3	13%
2008-09	5303567	16%	189068.8	21%
2009-10	6108903	15%	241256	28%
2010-11	7248860	19%	293478.2	22%
2011-12	8736039	21%	333930.4	14%
2012-13	9951344	14%	408421.7	22%
2013-14	11272764	13%	465142.8	14%

Source: Statement indicating the Public Expenditure on Education, MHRD, GOI

This significant growth may be due to the efforts of the Sarva Shiksha Abhiyan with its outlay of Rs. 71,000 crores during the Eleventh Five Year Plan (2007-12).





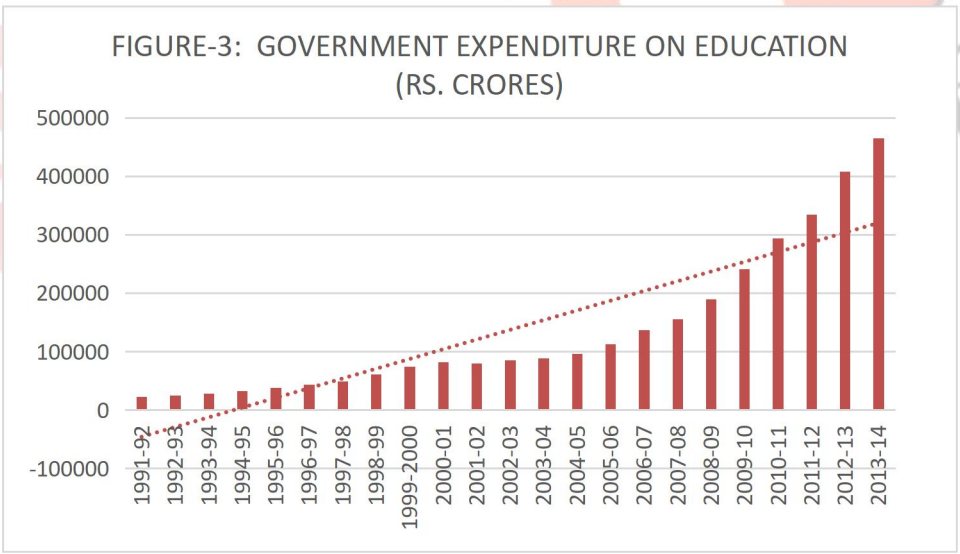


TABLE-5.2: GOVERNMENT EXPENDITURE ON EDUCATION AS % GDP (1991 – 2014)

Year	1991-92	1992-93	1993-04	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Government Expenditure on Education as % of GDP	3.8	3.72	3.62	3.56	3.56	3.53	3.49	3.85	4.19	4.28
Year	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Government Expenditure on Education as % of GDP	3.81	3.78	3.51	3.25	3.34	3.48	3.4	3.56	3.95	4.05
Year	2011-12	2012-13	2013-14							

Government Expenditure on Education as % of GDP	3.82	4.1	4.13

Source: Statement indicating the Public Expenditure on Education, MHRD, GOI

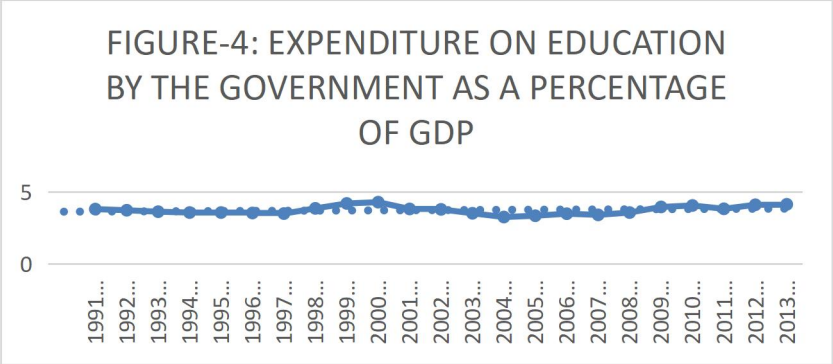
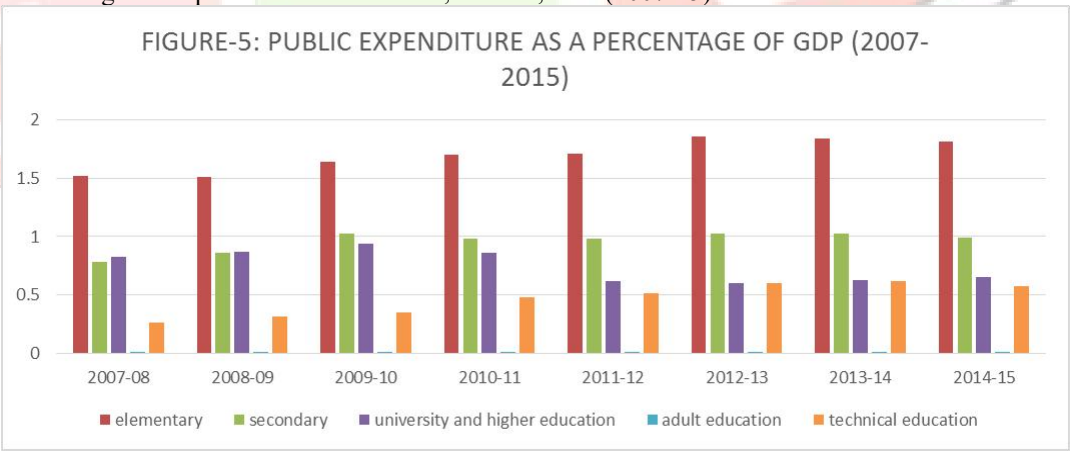
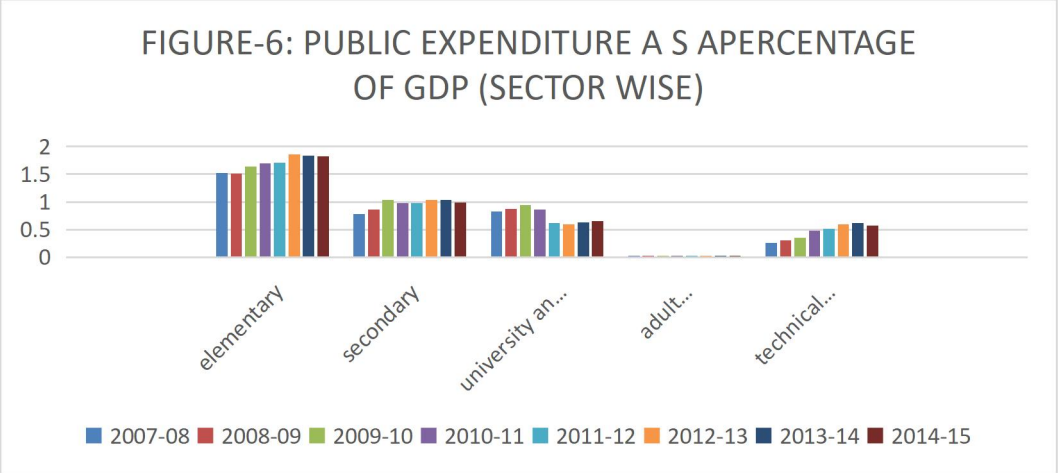


TABLE-5.3: PUBLIC EXPENDITURE ON EDUCATION AS %OF GDP (SECTOR WISE)

Year	Elementary	Secondary	University and Higher Education	Adult Education	Technical Education
2007-08	1.52	0.78	0.83	0.01	0.26
2008-09	1.51	0.86	0.87	0.01	0.31
2009-10	1.64	1.03	0.94	0.01	0.35
2010-11	1.7	0.98	0.86	0.01	0.48
2011-12	1.71	0.98	0.62	0.01	0.51
2012-13	1.86	1.03	0.6	0.01	0.6
2013-14	1.84	1.03	0.63	0.01	0.62
2014-15	1.82	0.99	0.65	0.01	0.57

Source: Analysis of Budgeted Expenditure on Education, MHRD, GOI (2007-15)





From the above table and figure, we infer that the bulk of public spending has been concentrated in the primary sector. The second area of public expenditure concentration is the secondary sector, followed by the higher education sector. This is rather obvious given the size of the population and as well as the number of educational institutions at the primary and secondary levels of school education in the country. We also see that the public expenditure on technical education is low in comparison, although the number of technical institutes has increased tremendously and the major factor behind this growth is the rise in private investment in this area in the post reforms era.

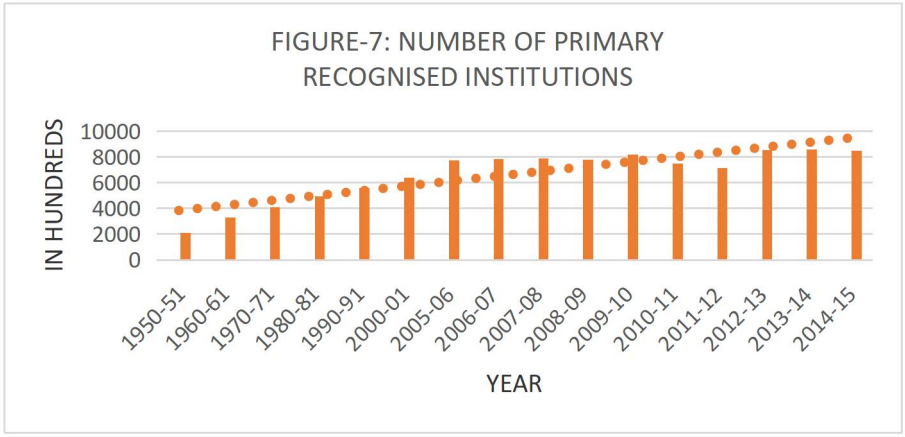
IV-B: NUMBER OF RECOGNISED INSTITUTIONS

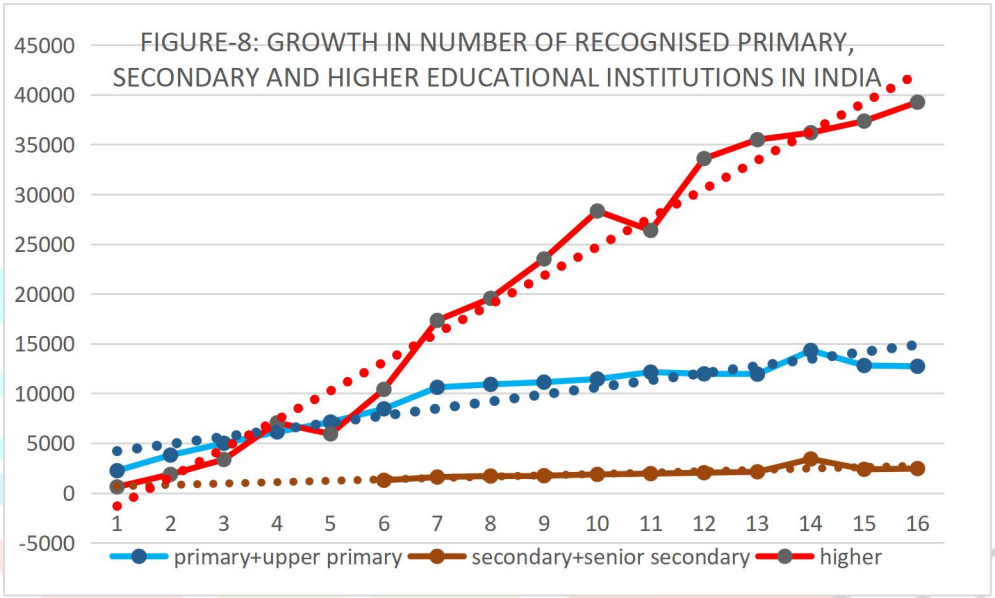
As far as the number of institutions is concerned, the primary sector has shown upward trend with respect to the number of recognized institutions, although it has shown fluctuations and the growth has also fallen; but the slope of the trend line is positive. The trend line for the higher education sector has the steepest slope whereas that of the secondary (and senior secondary) sector has the lowest slope. The value of the slope for the primary sector lies in between that of the higher and secondary sector and, hence, it shows moderate growth. This is a bit in contradiction vis-a-vis public expenditure where the primary sector accounts for the largest share.

TABLE-5.4: NUMBER OF RECOGNISED EDUCATIONAL INSTITUTIONS (SECTOR WISE)

Level/Year	Primary	Upper Primary	Primary Upper Primary	Secondary Senior Secondary	Higher
1950-51	2097	136	2233	-	605
1960-61	3304	497	3801	-	1864
1970-71	4084	906	4990	-	3359
1980-81	4945	1186	6131	-	7046
1990-91	5609	1515	7124	-	5932
2000-01	6387	2063	8450	1271	10406
2005-06	7726	2885	10611	1596	17332
2006-07	7849	3056	10905	1696	19553
2007-08	7878	3252	11130	1730	23505
2008-09	7788	3656	11444	1863	28322
2009-10	8199	3941	12140	1939	26374
2010-11	7485	4476	11961	2032	33595
2011-12	7143	4788	11931	2124	35494
2012-13	8539	5778	14317	3413	36192
2013-14	8589	4215	12804	2371	37357
2014-15	8471	4251	12722	2446	39258

Source: Education Statistics at a Glance, MHRD, GOI





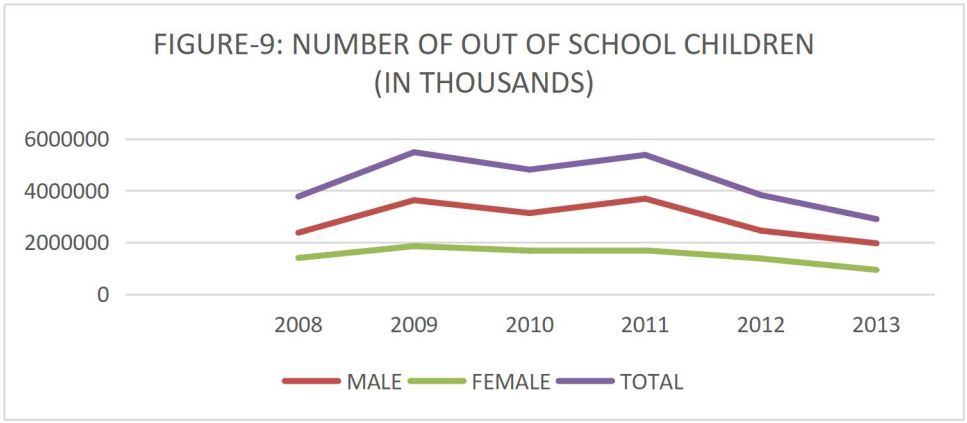
IV-C: NUMBER OF OUT OF SCHOOL CHILDREN (IN THOUSANDS)

According to the UNESCO, the number of schools has fallen from 3.7 million (in thousands) in 2008 to 2.8 million (in thousands) in 2013. It can be seen that the out of school children for males in higher than that of females in India. Given that the emphasis on educating males over females that has been prevalent in the country since ancient times, this trend is a result of the population of males being higher in India than females. It can also be seen that all three trend show a falling tendency in recent years.

TABLE-5.5: NUMBER OF OUT OF SCHOOL CHILDREN (IN THOUSANDS)

YEAR	2008	2009	2010	2011	2012	2013
MALE	2371841	3627123	3130002	3686461	2450842	1962707
FEMALE	1395984	1853728	1678266	1689593	1374603	935040
TOTAL	3767825	5480851	4808268	5376054	3825445	2897747

Source: UNESCO Institute for Statistics



IV-D: MALE FEMALE COMPARISON

From Table 6 it can be inferred that the total literacy rate in India in 1951 was 18.3% which has risen to 74% in 2011. It can also be seen that the literacy rate for males has always remained higher than that of females. Even though we see a convergence of the

literacy rates of females and males, there remains a significant difference; the male literacy rate in 2011 was 82.1% as against 65.5 in case of the females.

TABLE-5.6: LITERACY RATED BY SEX

YEAR	MALE	FEMALE	TOTAL
1951	27.2	8.9	18.3
1961	40.4	15.4	28.3
1971	46	22	34.5
1981	56.4	29.8	43.6
1991	64.1	39.3	52.2
1997	73	50	-
2001	75.3	53.7	64.8
2005	77	57	67.3
2011	82.1	65.5	74

Source: MHRD, GOI

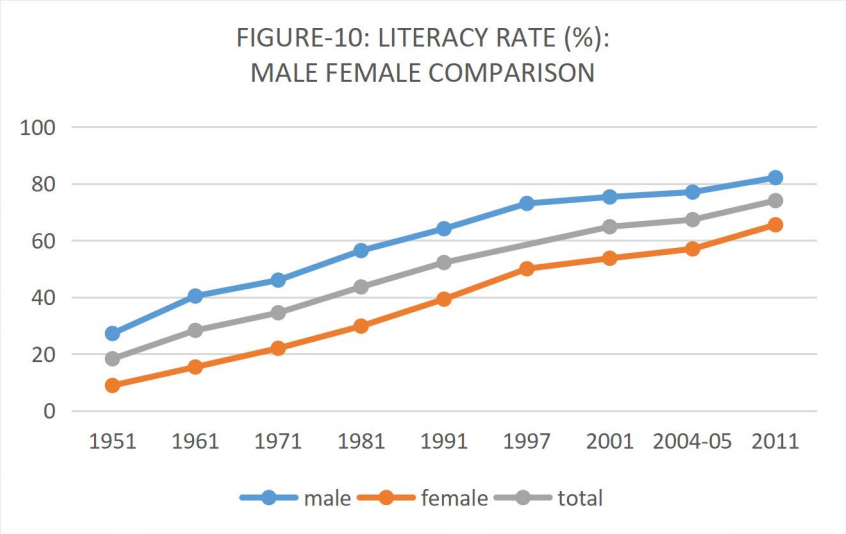


TABLE-5.7: GIRLS ENROLLED PER HUNDRED BOYS

Year	Primary	Middle	Secondary
1990-91	71	58	50
1991-92	72	62	52
1992-93	72	61	51
1993-94	76	66	57
1994-95	75	65	57
1995-96	76	65	57
1996-97	76	66	58
1997-98	77	67	58
1998-99	78	69	62
1999-00	79	70	64
2000-01	78	69	63
2001-02	79	72	65
2002-03	88	78	70
2003-04	88	79	70
2004-05	88	80	71
2005-06	87	81	73
2006-07	88	82	73
2007-08	91	84	77
2008-09	92	86	79
2009-10	92	89	82
2010-11	92	89	82
2011-12	93	90	84

2012-13	94	95	89
2013-14	93	95	90
2014-15	93	95	90

Source: Education Statistics at a Glance, MHRD, GOI

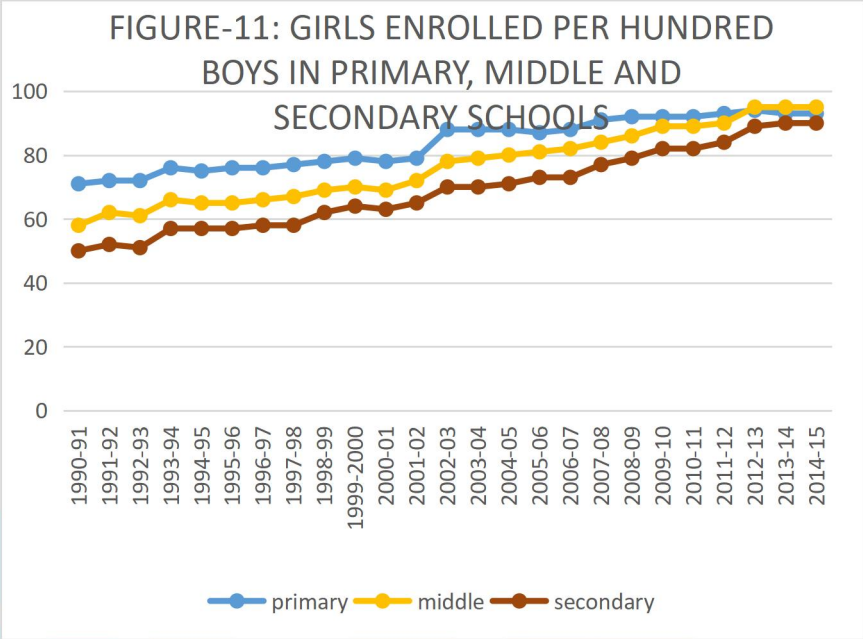
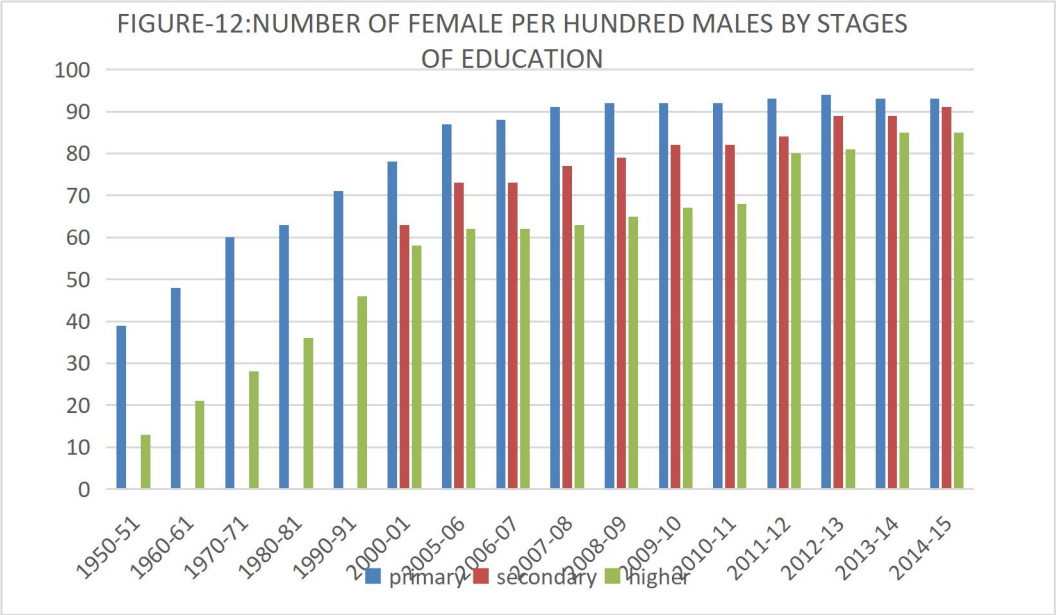


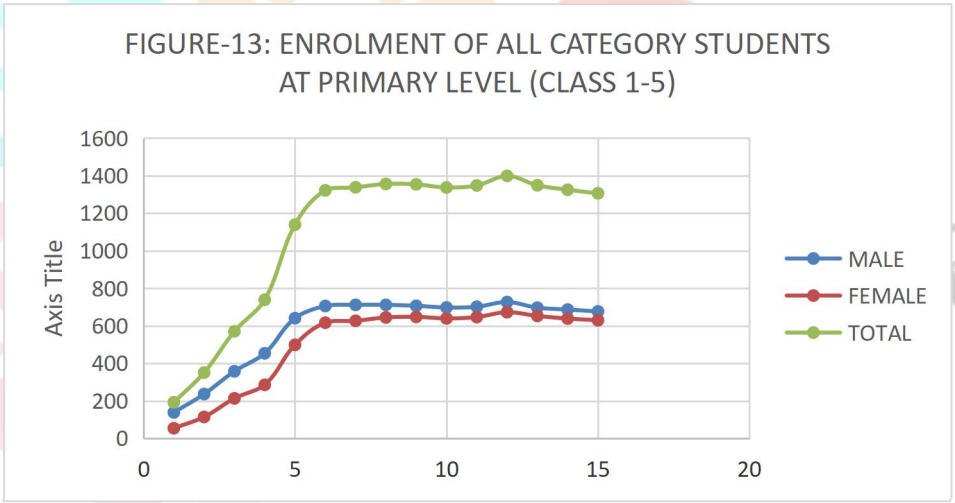
TABLE-5.8: NUMBER OF FEMALES PER HUNDRED MALE (ENROLLMENT BY STAGES OF EDUCATION)

Level/Year	Primary	Upper Primary	Secondary	Senior Secondary	Higher
1950-51	39	19	-	15	13
1960-61	48	31	-	26	21
1970-71	60	41	-	33	28
1980-81	63	49	-	45	36
1990-91	71	58	-	49	46
2000-01	78	69	63	62	58
2005-06	87	81	73	72	62
2006-07	88	82	73	74	62
2007-08	91	84	77	76	63
2008-09	92	86	79	77	65
2009-10	92	88	82	80	67
2010-11	92	89	82	79	68
2011-12	93	90	84	81	80
2012-13	94	95	89	87	81
2013-14	93	95	89	89	85
2014-15	93	95	91	90	85

Source: Education Statistics at a Glance, MHRD, GOI



While taking into consideration the literacy rates, and the number of females enrolled per hundred males in primary secondary and tertiary sector, we see a similar pattern i.e. the rates for males has always been higher than that of females. But the gap has converged over the years. The enrolment of females per hundred males in primary education sector has always been higher than that of the secondary and higher education sector. This gap has also narrowed over the years. The number of female enrollments in secondary education was even seen to exceed that of the primary education in the year 2012-13.



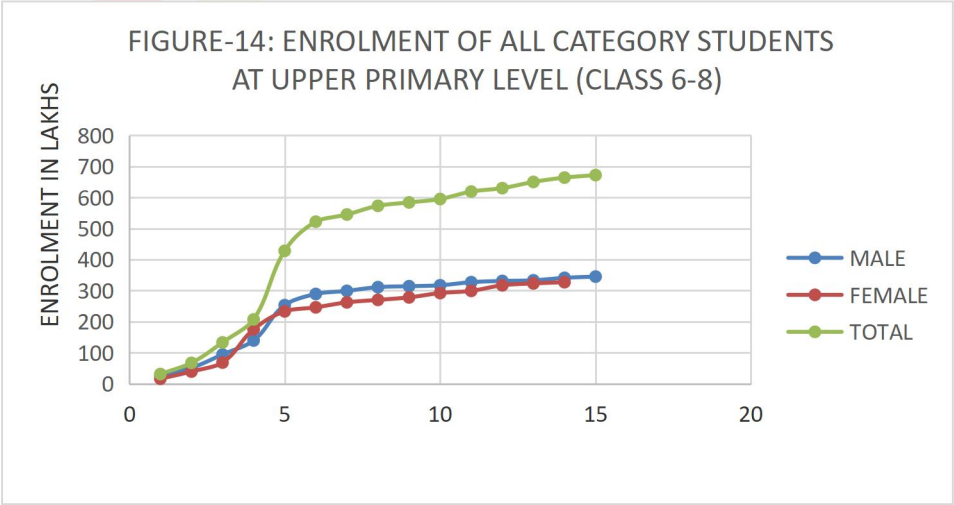


TABLE-5.9: ENROLLMENT OF ALL CATEGORY STUDENTS IN PRIMARY AND UPPER PRIMARY EDUCATTION

Level/Year	Primary (I-V)			Upper Primary (VI-VIII)		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
1950-51	138	54	192	26	5	31
1960-61	236	114	350	51	16	67
1970-71	357	213	570	94	39	133
1980-81	453	285	738	139	68	207
2000-01	640	498	1138	253	175	428
2005-06	705	616	1321	289	233	522
2006-07	711	626	1337	299	246	545
2007-08	711	644	1355	311	262	573
2008-09	706	647	1353	314	270	584
2009-10	697	639	1336	317	278	595
2010-11	701	646	1347	327	292	619
2011-12	726	672	1398	331	299	630
2012-13	696	652	1348	333	317	650
2013-14	686	638	1324	341	323	664
2014-15	676	629	1305	345	327	672

Source: Education Statistics at a Glance, MHRD

With respect to enrollment of all category students in primary and upper primary levels, we see that the difference between male female rates have fallen more significantly since 2005-06.Since 1990-91, with respect to primary education sector, the drop-out rates (see Table 10) have fallen significantly. However, the problem of drop outs is more acute for the females than males. In 1990-91 the drop-out rate for the males was 40.1% and this figure has fallen to nearly half in 2013-14. In contrast, the corresponding rate for the females was 46% and this has fallen faster than that of males to 18.3% in 2013-14. The total drop-out rates of the children had fallen from 42.6% in 1990-91 to 19.8 in 2013-14. The drop-out rates of males has always been lower than females in the primary sector. This gap had narrowed to a large extent. Also, since liberalization the rates have fallen from 42.6% in 1990-91 to 19.5% in 2013-14.

TABLE-5.10: MALE FEMALE DROP OUT RATES (1990-2014)

YEAR	BOYS	GIRLS	TOTAL
1990-91	40.1	46	42.6
1991-92	40.3	44.3	42
1992-93	43.8	46.7	45
1993-94	36.1	38.6	37.2
1994-95	40.7	42.5	42.4
1995-96	41.4	43	42.1
1996-97	39.7	40.9	40.2
1997-98	37.5	41.5	39.2
1998-99	40.9	42.3	41.5
1999-00	38	41	40.3
2000-01	39.7	41.9	40.7
2001-02	38.4	39.9	39
2002-03	35.8	33.7	34.8
2003-04	33.74	28.5	31.7
2004-05	31.8	25.4	29
2005-06	28.7	21.7	25.6
2006-07	24.5	26.7	25.6
2007-08	25.7	24.4	25
2008-09	29.6	25	27.8
2009-10	31.8	28.5	30.3
2010-11	29	25.4	27.4
2011-12	23.4	21	22.3
2012-13	23	19.4	21.3
2013-14	21.2	18.3	19.8

Source: Education Statistics at a Glance, MHRD, GOI

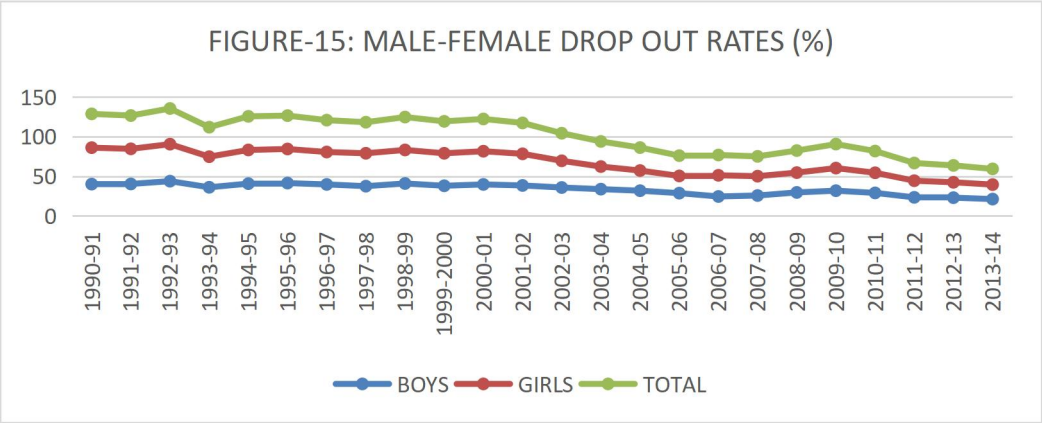
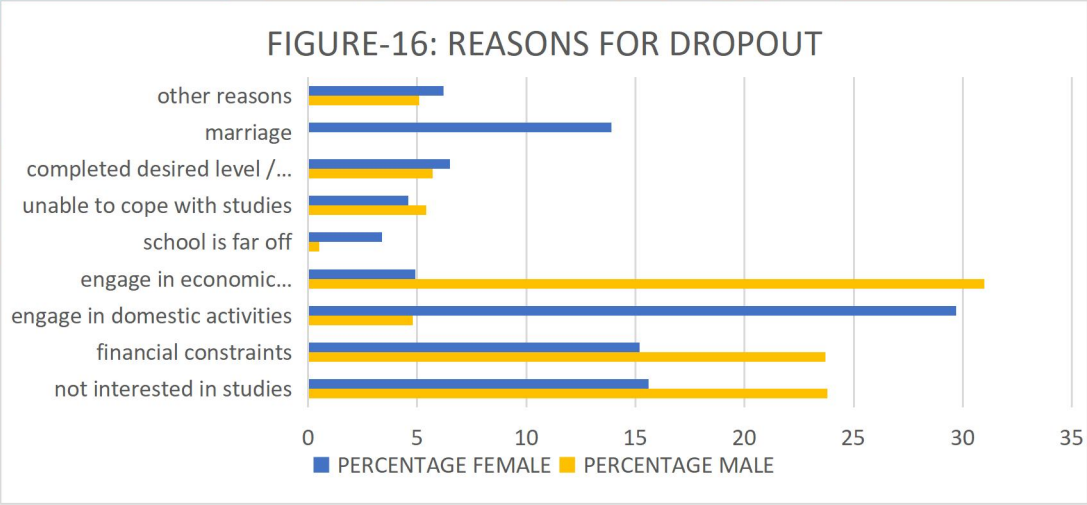


TABLE-5.11: MAIN REASONS FOR DROPOUT

REASONS	(Percentage)	
	MALE	FEMALE
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	4.9
school is far off	0.5	3.4
unable to cope with studies	5.4	4.6
completed desired level / class	5.7	6.5
marriage	-	13.9
other reasons	5.1	6.2

Source: Education Statistics at a Glance, MHRD



The main reason for drop out in case of males is engagement in economic activities whereas that for females is engagement in domestic activities. The next significant reason, after not interested in studies, is financial constraint and marriage, the latter problem being more acute in rural areas due to the tradition of early marriage that had continued to prevail since the ancient eras. Financial constraint is also a significant reason for male drop outs.

TABLE-5.12: URBAN-RURAL LITERACY RATES

YEAR	Rural - Male	Rural - Female	Rural - Persons	Urban - Male	Urban - Female	Urban - Persons
2003	71	48	60	88	74	81
2004	72	50	61	88	75	82
2006	75	52	64	89	77	83
2007	76	54	65	89	77	84
2011	79	59	69	90	80	85
2014	80	61	71	91	81	86

Source: Rural Urban Literacy rates, data.gov.in

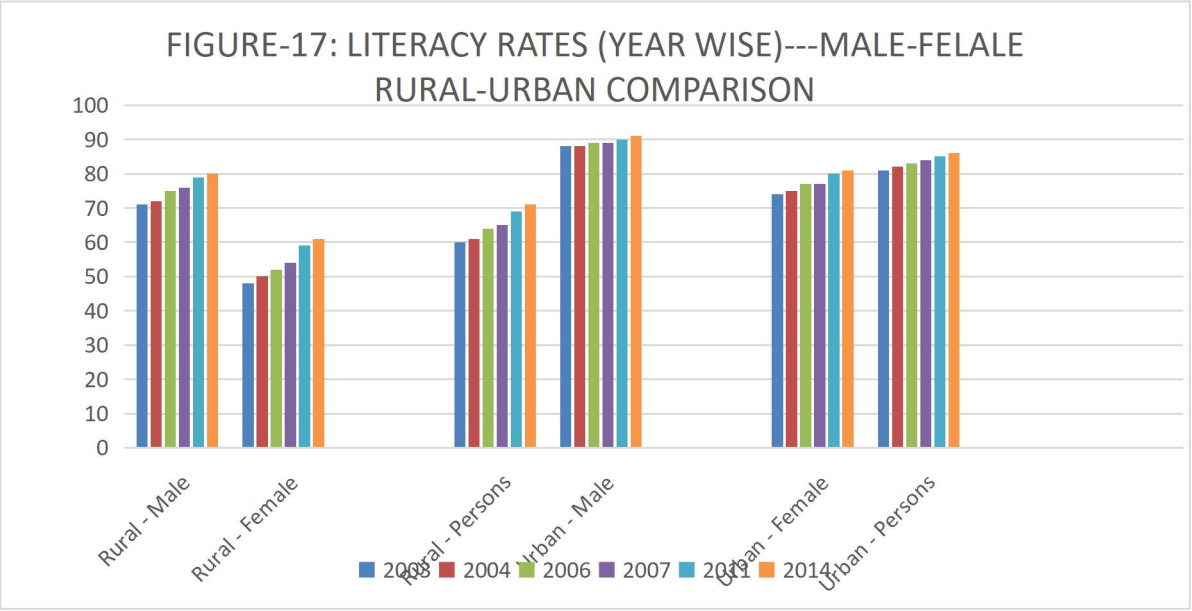


Table 12 shows the literacy rates over the years. It can be seen that in general the growth in literacy rates of urban persons is higher than that of rural persons. Further, it can be noted that though the rate of growth of literacy rate is higher among rural female than the urban female, it is still less than the urban female in magnitude. Same pattern of growth can be seen in case of rural and urban males.

PRIVATISATION

Let us now consider the administrative pattern of the educational institutions. Private aided schools are run by private management boards and are funded and governed by the state. Private unaided schools are autonomous fee-charging schools run by private managements which recruit/appoint their own teachers and determine their pay scales independently. Privatization of education is not new in India, it existed even before independence in the form of so called public schools (like Doon School, Mayo School) and Christian missionary schools and colleges. They were run by their own boards of management without the interference of the government. Due to globalization and liberalization, the education process in India has transformed to a large extent. Private educational institutions have been encouraged, especially in the case of higher education in school. There has also been tremendous increase in the number of private technical institutions. Another reason for increase in the number of, and preference for, private institutes is the failure of state-run schools to provide quality education; factors like teacher truancy and student absenteeism are problems that have long been neglected, especially in rural and sub urban areas and in levels of primary education. It has been found that 53% of urban and 18% of rural children attend private schools. In field of higher education, the situation is a little different where government colleges and institutes are first choice of students. Most of the privatization in education sector is concentrated in the higher education which is evident from the rise in private engineering, medical and management colleges and as well as private universities that have emerged in many parts of India.

TABLE-5.13: COMPOSITION OF PRIMARY SCHOOLS (in %)

Year	Government	Private Aided	Private Unaided
1973-74	85.5	11.4	3.15
1978-79	86.2	10.65	3.15
1986-87	84.1	10.3	5.6
1993-94	85.8	6.65	7.55
1996-97	83.6	6.8	9.6
1997-98	82.9	6.75	10.65
1998-99	82.65	6.25	11.15
1999-00	82.1	6.15	11.75
2001-02	83.65	5.45	10.9
2002-03	80.7	5.5	13.85
2003-04	81.5	4.8	13.75
2004-05	81.2	4.5	14.3
2005-06	80.55	4.6	14.85
2006-07	80.15	4.9	15.05
2007-08	80.15	7.55	12.3
2008-09	80.1	7.5	12.35
2009-10	75.8	8.4	12.35

Source : Percentage distribution of Schools by Management, data.gov.in.

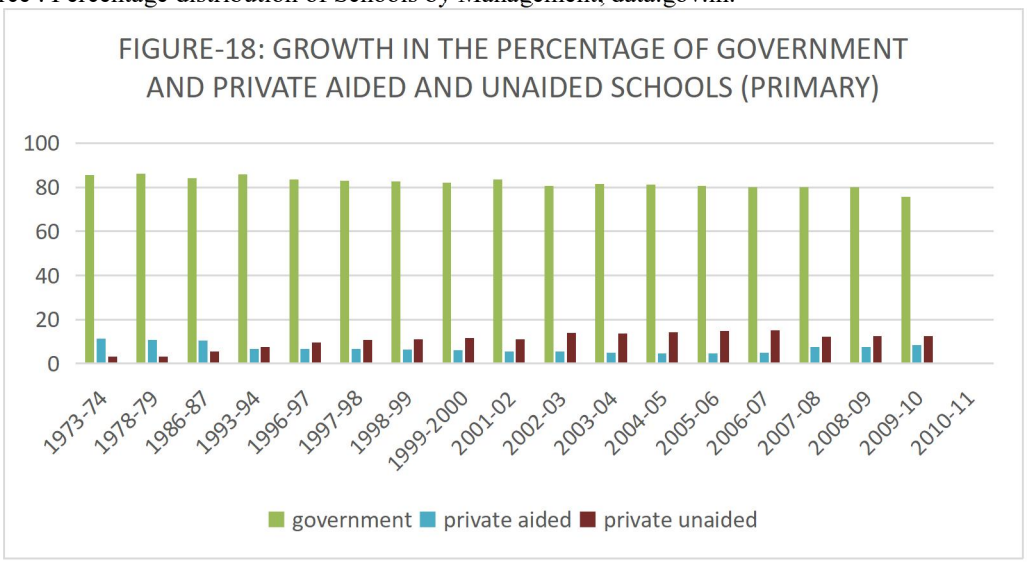


TABLE-5.14: COMPOSITION SECONDARY SCHOOLS (in %)

Year	Secondary-Government	Secondary-Private Aided	Secondary-Private Unaided
2003-04	40.9	27.5	31.7
2004-05	43	28.5	28.5
2005-06	40.9	27.9	31.2
2006-07	39.4	27.2	33.4
2007-08	39.3	26.1	34.6
2008-09	39.8	24.5	35.7
2009-10	39.4	21.4	36.1

Source : Source : Percentage Distribution of Schools by Management, data.gov.in

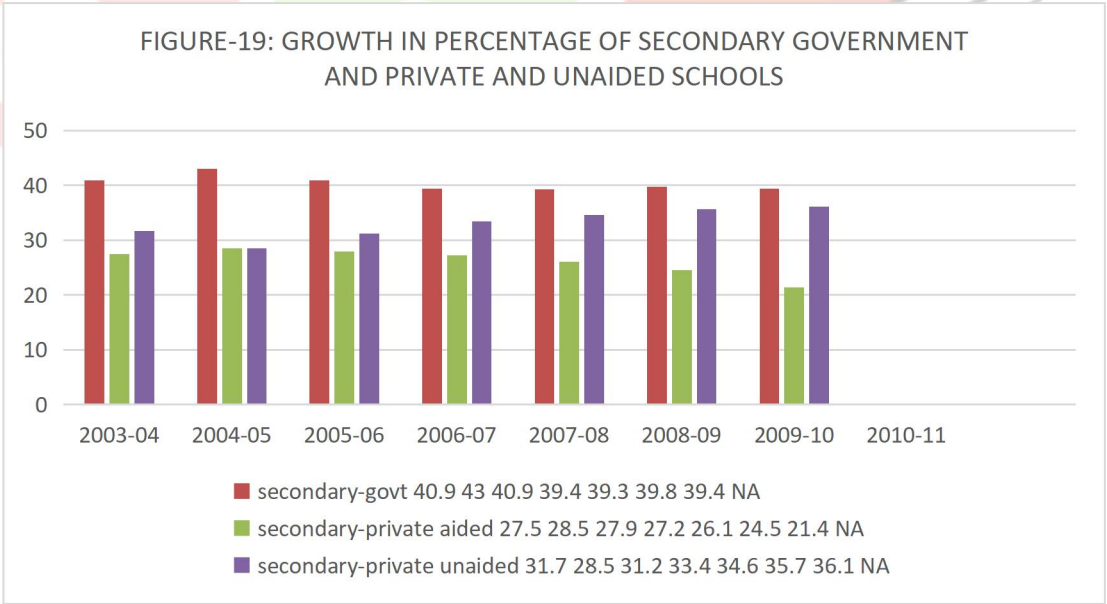
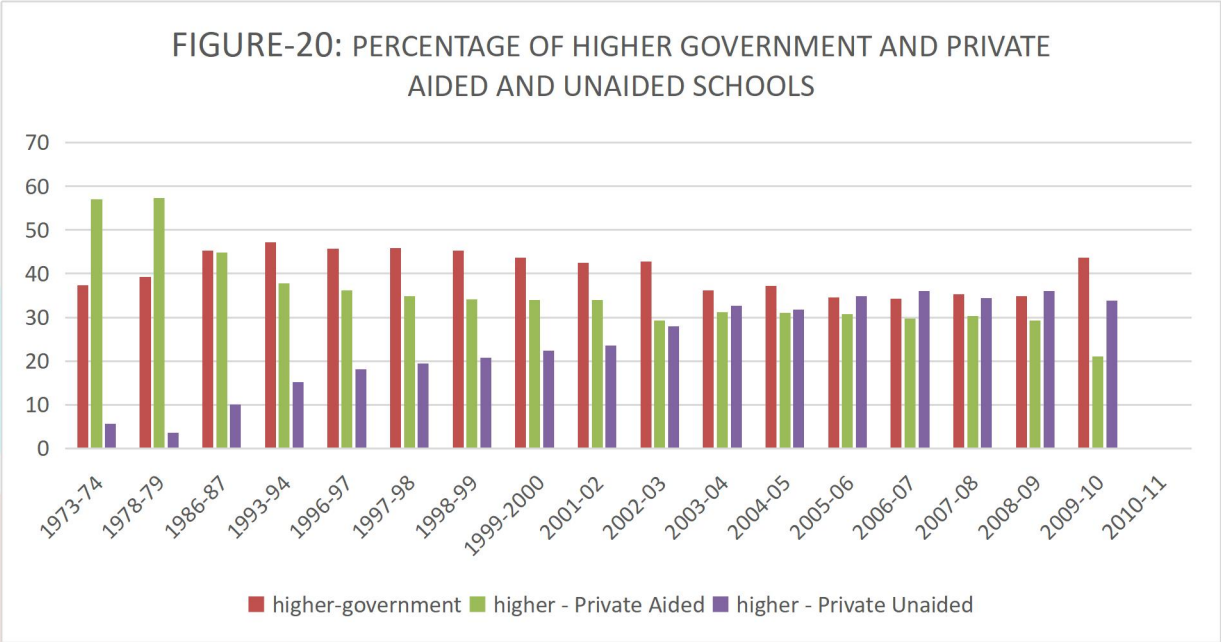


TABLE-5.15: COMPOSITION HIGHER SCHOOLS (in %)

Year	Government	Private Aided	Private Unaided
1973-74	37.4	57	5.6
1978-79	39.2	57.3	3.6
1986-87	45.2	44.8	10
1993-94	47.1	37.8	15.2
1996-97	45.7	36.2	18.1
1997-98	45.8	34.9	19.4

1998-99	45.2	34.1	20.7
1999-00	43.6	34	22.4
2001-02	42.5	34	23.6
2002-03	42.8	29.3	28
2003-04	36.1	31.2	32.7
2004-05	37.2	31	31.8
2005-06	34.5	30.8	34.8
2006-07	34.3	29.7	36
2007-08	35.3	30.3	34.4
2008-09	34.8	29.2	36
2009-10	43.6	21.1	33.8

Source: Source: % Distribution of Schools by Management, data.gov.in



COMPARISON OF INDIA WITH THE REST OF THE WORLD

In comparison with some of the developed countries, the position of India with respect to importance accorded towards education sector is not very encouraging. Among the developed countries the expenditure of Norway in education is the highest, which is not surprising because it is known that Norway has one of the best education sectors of the world. Literacy rate in Norway reaches almost 100% and ranks number one in Human Development Index (HDI score of 0.953 in 2018).

TABLE-5.16: GOVERNMENT EXPENDITURE ON EDUCATION AS A PERCENTAGE OF GDP (INDIA AND ITS NEIGHBOURING COUNTRIES)

Year	India	Pakistan	Bangladesh	Bhutan	Sri Lanka
1997	3.31	3.02	1.95	-	-
1998	3.52	-	-	-	3.05
1999	4.35	2.61	2.13	-	-
2000	4.26	1.84	2.12	5.51	-
2001	-	-	2.17	5.72	-
2002	-	-	2.02	-	-
2003	3.55	-	2.07	-	-
2004	3.3	1.94	1.94	6.42	-
2005	3.14	2.25	2.13	7.08	-
2006	3.09	2.63	2.13	-	-
2007	-	2.63	2.2	-	-
2008	-	2.75	2.05	4.8	-
2009	3.31	2.6	1.94	4.63	2.05
2010	3.42	2.29	2.035	4.02	1.72
2011	3.84	2.22	2.13	4.65	1.81

2012	3.87	2.18	2.18	-	1.5
2013	3.84	1.96	1.96	5.59	1.62

Source: Government Expenditure on Education (% of GDP)

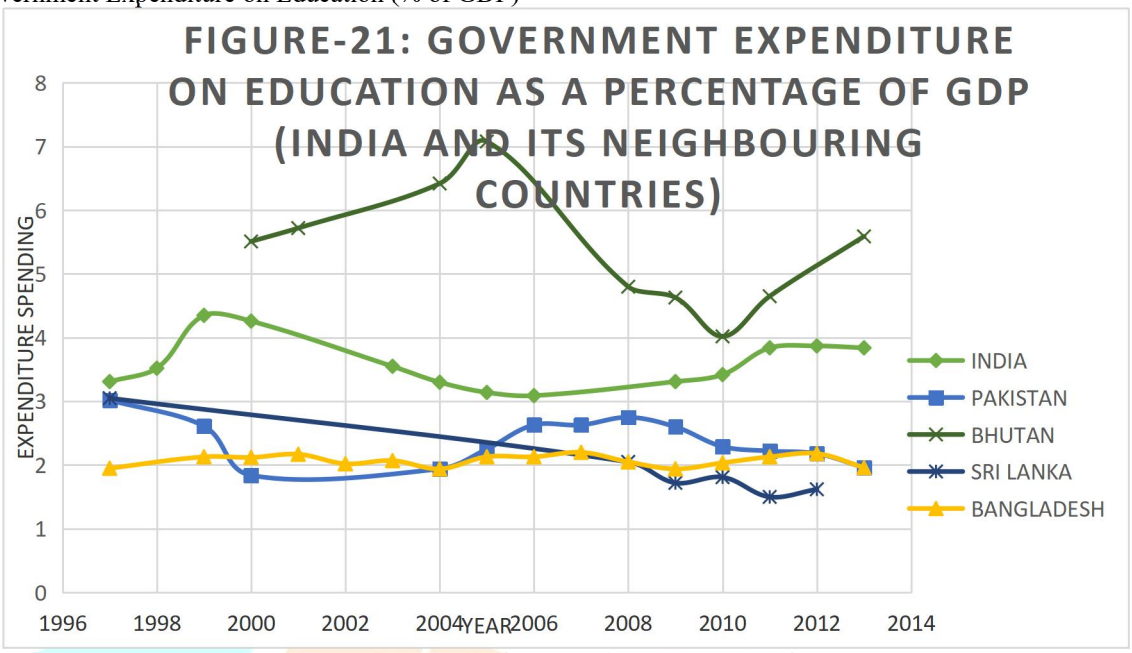


TABLE-5.17: GOVERNMENT EXPENDITURE ON EDUCATION AS A PERCENTAGE OF GDP (INDIA AND SOME DEVELOPED COUNTRIES)

YEAR	NORWAY	USA	CANADA	JAPAN	AUSTRALIA
1997	7.31	-	-	-	5.23
1998	7.38	4.81	5.51	3.36	-
1999	6.94	4.85	5.55	3.43	-
2000	6.46	-	5.47	3.51	4.89
2001	6.85	5.45	4.98	3.46	-
2002	7.44	5.42	5.01	3.47	-
2003	7.42	5.55	-	3.52	-
2004	7.31	5.31	-	3.49	-
2005	6.87	5.06	4.79	3.37	4.91
2006	6.37	5.39	-	3.33	4.74
2007	6.53	5.23	4.79	3.33	4.65
2008	6.28	5.3	4.65	3.33	4.63
2009	7.1	5.26	4.86	-	5.09
2010	6.75	5.43	5.36	3.64	5.56
2011	6.46	5.21	5.28	3.65	5.1
2012	7.63	5.2	-	3.7	4.9
2013	7.37	4.93	-	3.67	5.29

Source: Government Expenditure on Education (% of GDP)

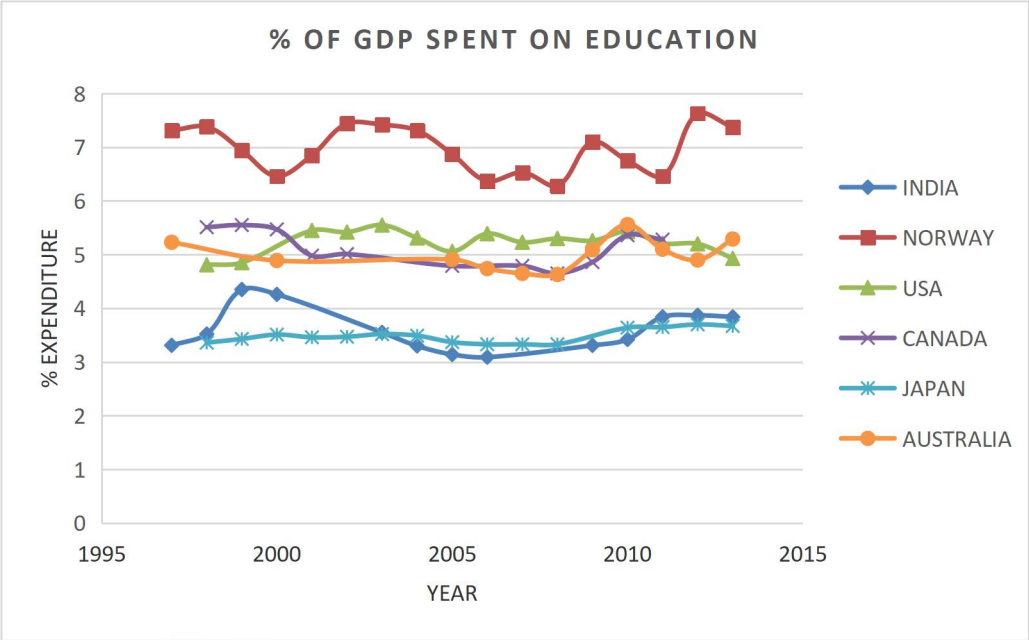
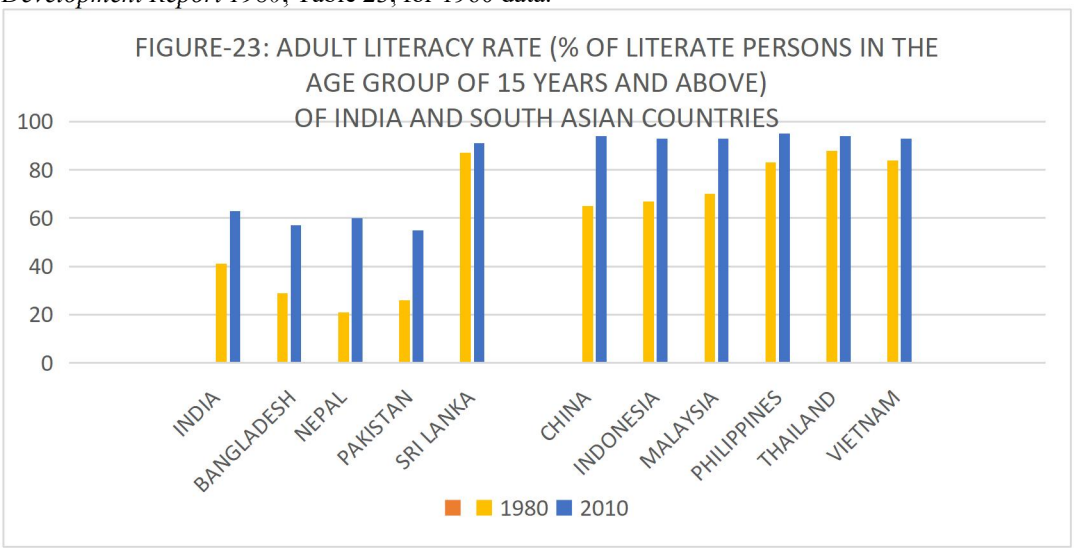


TABLE-5.18: ADULT LITERACY RATE
(% OF LITERATE PERSONS IN THE AGE GROUP OF 15 YEARS AND ABOVE)

Country	1960	1980	2010
India	18	41	63
Bangladesh	22	29	57
Nepal	9	21	60
Pakistan	15	26	55
Sri Lanka	75	87	91
China	-	65	94
Indonesia	39	67	93
Malaysia	53	70	93
Philippines	72	83	95
Thailand	68	88	94
Vietnam	-	84	93

Source: *World Development Report 1980*, Table 23, for 1960 data.

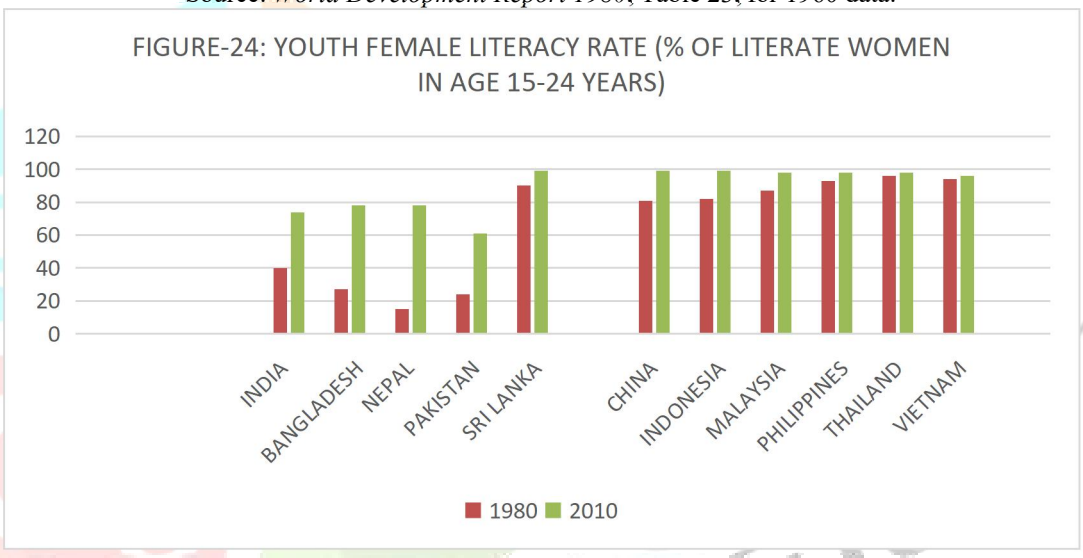


Countries like Bangladesh and Nepal are much poorer than India but with respect to literacy rates they have caught up and have done so rapidly. Sri Lanka whose population and land size are both much smaller than India has been better in terms of literacy rates. The literacy rates in the East Asian countries have always remained higher than that of India's.

TABLE-5.19: YOUTH FEMALE LITERACY RATE (% OF LITERATE WOMEN IN AGE 15-24 YEARS)

Country	1980	2010
India	40	74
Bangladesh	27	78
Nepal	15	78
Pakistan	24	61
Sri Lanka	90	99
China	81	99
Indonesia	82	99
Malaysia	87	98
Philippines	93	98
Thailand	96	98
Vietnam	94	96

Source: *World Development Report 1980*, Table 23, for 1960 data.



The female literacy rates in Pakistan, Nepal and Bangladesh were, three decades ago, lower in comparison to India. But they have rapidly caught up and have female literacy rates higher than that of India, except Pakistan. The female literacy rate of Sri Lanka and other East Asian countries have always been higher than that of India, although India has grown faster in this regard.

VI.CONCLUSION

The Indian education system has come a long way since the British left India with evident improvements. The percentage change in education expenditure has increased, especially since 2005-06, with Sarva Siksha Abhiyan as a major contributor. Although the contribution of the government is highest in primary sector, with respect to the number of recognized educational institutions and overall (public and private) investment, growth is more in higher education largely due to private contribution towards the same.

Drop out rated have fallen and literacy rates have ever increased. Also, male female ratios India has with respect to participation in education has improved, but is still backward when considering comparison with the other Asian countries and developed countries. With respect to the neighboring countries, India's contribution towards education as a percentage of GDP is encouraging except when comparing with Bhutan, whose percentage contribution of GDP is higher than that of India. India's contribution in education expenditure as a percentage of GDP has increased but is not satisfactory as it has not even reached a minimum of five percent.

Drawbacks still remain in quality of education provided in rural sectors which are characterized by absenteeism and truancy of teachers and students. Problems of illiteracy still prevail, which is more pronounced in rural areas. India has one-third of the world's illiterate.

Initiatives like the Right to Education Act have provided an impetus to growth by laying special emphasis on elementary education. This, combined with policy changes like making child labor illegal the government is working to ensure that the seeds of education are planted in both rural and urban sectors. This paper looks into the enrollment rates (including male female comparison), dropout rates, expenditure, etc.

Education can help end the vicious cycle of poverty, increase income and create positive externalities. It not only creates a civilized society, but also a clean environment, human capital, better standard of living and all-round development. The country certainly does not lack in manpower, with a billion plus population. It has produced some of the most qualified persons who are at

the top positions of some of the biggest companies in the world. With some contribution in ensuring better quality and eradication of illiteracy and focusing on learning, India has the potential of becoming one of the best educational centers.

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