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# Resource Constraints in Implementing the NEP 2020

**Vikas Maniar**

*Abstract: The fiscal year 2020-21 was unprecedented for the education sector in India. First, a new National Education Policy with an ambitious rollout timeline was announced. Second, it witnessed a near lockdown of all educational activity because of the pandemic. This has led to significant learning loss, particularly of foundational literacy and numeracy that will have to be recovered in the coming years. Both of these call for a significant investment of resources in the education sector. An analysis of central and Karnataka (as a representative state) education budgets for FY 2021-22 reveals that there is minimal funding to address either of these in the current fiscal year.*

## Composition of Education Budget<sup>[1]</sup>

In the financial year (FY) 2020-21, total (centre + states) government expenditure on education of Rs 6.75 lakh crore stands at 3.5% of the gross domestic product (GDP) and 10.4% of the total government expenditure (Government of India 2021b: 371) was way short of the norm of 6% of GDP recommended in almost every policy document since the Kothari Commission report in the 1960s. The composition of the education budget by sectors and the respective share of states and the centre are shown in Table 1. About 80.07% of the overall budget is spent on elementary and secondary education. The states' share of the total education budget is 84.24%.

Table 1: Composition of Education Department Budgets (2018-19 BE)

	States	Centre	Total
Elementary education	39.78%	6.90%	46.68%
Secondary education	31.09%	2.30%	33.39%

University and higher education	9.30%	3.76%	13.06%
Technical education	2.79%	2.60%	5.39%
Adult education, lang dev, and general education	1.27%	0.20%	1.47%
<b>Total</b>	<b>84.24%</b>	<b>15.76%</b>	<b>100.00%</b>

Source: Ministry of Education 2021.

Disaggregation of the budgets for school education and higher education at the centre and Karnataka reveals interesting patterns. Of the Rs 54,873.66 crore budget for school education at the centre for FY 2021-22, 77.54% is allocated to two flagship centrally sponsored schemes, 56.58% is allocated to Samagra Shiksha Abhiyan (SSA) and another 20.96% to the Mid-day Meal (MDM) scheme. SSA is primarily funded from the Prarambhik Shiksha Kosh that is funded through a 2% primary education cess. The bulk of these funds are passed on to the states to implement these centrally sponsored schemes. Another 20.40% is spent on running central government institutions such as Kendriya Vidyalaya, Navodaya Vidyalaya, NCERT, etc. In the Karnataka primary and secondary school budget, 76.08% of Rs 24,273.07 crore for FY 2021-22 goes directly in paying the salaries of primary and secondary school teachers and for grant-in-aid (which is mainly in the form of teacher salaries) to private schools. A further 8.74% is budgeted for MDM leaving only about 15.18% of the budget for all other expenditures. Of this, an estimated 7%-8% goes towards the salaries and allowances of the non-teaching staff. Allocations from centrally sponsored SSA and MDM to Karnataka account 6.6% and 3.9% (minutes of Project Advisory Board meetings of SSA and MDM for FY 2021-22) of Karnataka's school education budget, respectively.

For higher education, 75.68% of the Rs 38,350.65 crore central budget is allocated to grants to universities and other institutions such as IIMs, IITs, and NITs funded directly by the central government. Another 15.83% is allocated for central sector schemes and projects such as creating

world-class institutions and interest subsidies on student loans. Higher education budget of Rs 18,000 crore is funded from the Madhyamik and Uchchatar Shiksha Kosh that if created by a higher education cess of 1%. Of the Rs 4,501.87 crore allocated to university, higher, and technical education in FY 2021-22 Karnataka budget, 29.49% is allocated to government colleges and institutes, 20.26% for assistance to non-government colleges and institutes, and a further 9.76% for government polytechnics. The grants to universities stand at 18.12% of the higher education budget and another 7.23% as grants to non-government technical colleges. Thus, about 84.86% of the higher education budget is allocated in some form to operating universities, colleges, polytechnics, and other higher education institutions. Once again, a substantial portion of this expenditure is for teaching staff salaries.

Despite lockdown and school closures, 94.25% of the FY 2020-21 budget for school education in Karnataka was almost fully utilised as most of the expenditure was in the form of salaries. The only budget heads that did not have near full utilisation included student scholarships (68.40%), SSA non-salary components (75.03%), and MDM (68.12%). The utilisation of the central budget 2020-21 on school education was 87.12% as a result of underutilisation of the budgets for the SSA (72.15%) which is about two-thirds of the departmental budget. In contrast, the centre's spend on MDM surpassed the budgeted amount. Similarly, for higher education (including technical education), 98.93% of the FY 2020-21 Karnataka budget was utilised, indicating a relative inelasticity of these spends to education activity. Once again, scholarships were the only budget item that had less than 80% utilisation (72.20%). The utilisation at 83.36% in the central budget for higher education was mainly because of the poor uptake of the budgets allocated for central projects and schemes (50.31%) and a substantially lower allocation of Rs 200 crore instead of the budgeted Rs 2,200 crore for the Higher Education Financing Agency (HEFA).

## **Funding NEP Rollout**

For school education, NEP reaffirms the commitment to the unfinished task of having all children between 6 to 14 years (corresponding to Classes 1-8) by the Right of Children to Free and Compulsory Education Act or Right to Education Act, 2019 and calls for 100% enrolment from preschool (starting three years of age) to secondary level by 2030. The target of 50% gross enrolment ratio for higher education by 2035 is proposed in the NEP (from the 26.3% in 2018). The NEP also calls for an overhaul of HEIs into large multidisciplinary with 3,000 or more

students by 2040 and opening of at least one such HEI in or near every district by 2030. Finally, it also makes a significant commitment to funding high-quality research. All this calls for a massive expansion of the education provision and funding.

A plan for NEP implementation for school education, SARTHAQ, was released by the central Ministry of Education in April 2021. This implementation plan identifies 138 major tasks in 16 focus areas that are further divided into 287 tasks to be concluded by 2025. Of these, more than 130 are to be initiated in 2021-22. These tasks can be broadly categorised into the following categories (Table 2).

Table 2: Typology of Tasks for NEP Implementation

1. Implementation planning and coordination, for example, Task 60.
2. Creating enabling regulatory and curricular frameworks, for example, Task 95.
3. Reorganising policymaking, regulatory, and provisioning institutions, for example, Task 212.
4. Expansion of physical infrastructure, for example, Task 15.
5. One-time creation of teaching and learning resources, assessments, and teacher capacity building, for example, Task 53.
6. The hiring of teaching and non-teaching staff, for example, Task 42.
7. Increased resourcing for schemes such as MDM, school libraries, etc. Task 17.
8. Instituting funds for certain schemes. Task 171.

Source: Department of School Education and Literacy, 2021a.

While there is no official release of such an implementation plan for higher education, drafts doing rounds (see, for example, a circular by Gondwana Vidyapeeth 2020) similarly identify 181 activities to be implemented for higher education that aligns with the categorisation of tasks above.

In addition, education departments of various states and different universities have started developing their versions of NEP implementation plans independently. While the clear assignment of accountability for tasks and timelines for NEP implementation are still being worked upon, what is clear is that the task is daunting and a significant proportion of this has to be initiated in the current fiscal.

While the implementation of NEP recommendations of (d), (e), (f), and (g) in the table above for school education would largely be the responsibility of state departments of school education and in the case of higher education, these would be largely borne by the universities and other higher education institutions. The expansion of infrastructure (b) calls for substantial capital expenditure while adding staff (f) and enhancing resources for schemes such as MDM are likely to add significantly to the operating budgets for education. The tasks of type (a), (b), and (c) are likely to be a joint responsibility of the centre and state departments of school education for school education, and centre and state departments of higher education and the universities/HEIs for higher education. These three types of tasks are likely to be one-time activities that may not need significant budgetary allocation in relative terms. Category (h) is likely to warrant substantial resource allocations by the centre.

While NEP reiterates the existing commitment for education budgets at the level of 6% of GDP, it is silent on how to get there from the current level of 3.5%. It is also silent on the one-time costs needed to roll out the NEP recommendations. Addendum 1 of the draft NEP report of the Kasturirangan committee recommends the total education budgets be increased from the 10% levels of the total budget to 20.9% of total government expenditure (see Table 1). In doing so, it departs from the current practice of pegging education budgets to the GDP but does broadly align with the need for doubling of the education budgets from the current levels. In addition, it recommends a one-time expenditure of 3.0% of the total government expenditure “primarily for resources, which includes infrastructure work” (Tables 3 and 4). It is unclear how the committee arrived at these figures as it does not provide any basis for these calculations. It also does not

specify the relative shares of state and central budgets to fund this increase, or the timeline to reach this target.

Table 3: Additional Annual Expenditure for NEP Implementation

<b>Additional Annual Expenditure—% to Total Expenditure by the Government</b>	
(i). Early childhood education—expansion / improvements	1.4
(ii). Foundational literacy and numeracy—NTP / RIAP / libraries	0.2
(iii). Schools—additional teacher costs / complex resources	2
(iv). Food / nutrition (MDM+)—breakfast / enhanced nutrition component	1.3
(v). Teacher education and continuing professional development	0.6
(vi). Universities and colleges—quality / faculty / operations	5
(vii). Research—NRF funding	0.4
<b>Total</b>	<b>10.9</b>

Source: Ministry of Human Resource Development, 2019.

Table 4: One-time Expenditure for NEP Implementation

<b>One-time Expenditure—% of Total Expenditure by the Government</b>	
a. Expansion and improvement of ECCE centres	0.6
b. Strengthening school infrastructure	0.3
c. Digital resources	0.1
d. HEI teaching infrastructure and residences	1.4
e. Scholarships endowments	0.6
<b>Total</b>	<b>3.0</b>

Source: Ministry of Human Resource Development, 2019.

### **Bridging the Post-pandemic Learning Gap**

The challenges of NEP rollout are compounded by the growing learning gap due to the suspension of in-person classes in schools and colleges since March 2020. Many children of the 2020 cohort have yet to see a school building. While some of the students have been attending online classes, research has shown that this mode of learning has been ineffective for a majority of students. A recent survey claimed that "In rural areas, only 8% of primary school children are regularly studying, while 37% are not studying at all" (The SCHOOL Team 2021). Further, it revealed that 49% of families in the survey locations in rural India did not have a smartphone.

Even when they did, children could not access the online classes because they could either not access the phone or did not have adequate internet connectivity/data. The situation was slightly better in urban locations, but even here only 24% of students could regularly attend online classes. Anecdotal evidence suggests similar challenges for high school and college students. For students that could attend online classes, its effectiveness in enabling learning has been poor. The SCHOOL survey claims that there has been a significant dip in basic literacy skills in elementary school students due to the extended lockdown.

This compounds the challenges of achieving universal foundational literacy and numeracy (FLN) for all children by 2025 advocated in the NEP. The national mission on foundational numeracy and literacy, NIPUN Bharat (Department of School Education and Literacy 2021b), launched earlier this year promises that all children will acquire foundational numeracy and literacy by Class 3, and children in Classes 4 and 5 who are still not proficient in these foundational skills would be provided "individual teacher guidance and support, peer support and age appropriate and supplementary graded learning materials" to acquire these.

NIPUN Bharat has already shifted the goal post by setting 2026-27 as the target date for achieving universal foundational literacy and numeracy, instead of the NEP target of doing so by 2025. Even to achieve this relaxed target, significant investments would be needed not only to overcome the learning loss due to the pandemic, and further to achieve the ambitious targets set by NEP and NIPUN on universal literacy and numeracy by 2026.

## **Education Budget 2021-22 and Funding the NEP Implementation**

Unfortunately, neither the central nor the Karnataka budget for school education seem to have made adequate provisions for these expenses. In fact, the central budget for 2021-22 school education is 8.74% less than the budgeted expenditure for FY 2020-21, and similarly, the higher education budget shows a marginal reduction of 2.83%. Karnataka school education budget has marginally increased by 3.21%, while the budget for higher education has decreased marginally by 2.25%.

The central budget for Samagra Shiksha Abhiyan, the flagship scheme for the NEP implementation at the centre, is cut by 19.87%. After adjusting for inflation, each of these education budget components has shrunk in real terms. Apart from enhanced allocation to some

central government projects and schemes like MDM, the creation of world-class universities and digital e-learning, the budgets seem to have missed allocating resources for the NEP rollout tasks. At the current levels, there is very little headroom in the state education budget to take on new initiatives such as the NEP rollout or extra funding for bridging the post-pandemic learning gaps.

As discussed, SSA and MDM are identified as primary vehicles for the implementation of NEP in SARTHAQ. While the flagship centrally sponsored schemes of SSA and MDM form a significant proportion of school education budget at the centre that are to be transferred to states, these form a relatively small proportion of the state school education budgets. The 2021-22 PAB allocation of Rs 1,537 crore is just about 6.3% of Karnataka's school education budget (5.3% of the overall education budget). The slight increase in FY 2021-22 is primarily utilised towards financial support for teacher salaries. Of particular interest is funding for FLN in the current year's SSA allocations. While the Rs 83.89 crore allocated for this purpose seems like a positive development, a closer examination of the allocations reveals it be an accounting exercise of splitting the budget for quality initiatives to earmark dedicated funds for FLN without making any additional funding overall and reducing the funds for some other quality initiatives (Department of School Education and Literacy 2021c, 2020).

Barring a few exceptions, budgetary grants to universities and HEIs have remained more or less flat for a majority of universities in both central and Karnataka budgets for FY 2021-22. For example, grants to UGC as well as central universities are exactly the same as were budgeted last year in the central budget. Universities have already been under pressure to raise their own funds apart from these budgetary grants. Further, the rollback on HEFA allocations signals a rethink on loans to finance infrastructure creation for universities/HEIs. Under these circumstances, achieving the NEP targets of expansion and restructuring of higher education seem to be extremely challenging at the current levels of resource availability.

Most of the substantive recommendations of the NEP for school education like the expansion of physical infrastructure, hiring of teaching and non-teaching staff, increasing resource allocation for schemes (with a possible exception of MDM where there are slightly increased allocations), and creation of funds for innovation and inclusions will have to be postponed to some indefinite future. The funding for NIPUN, the national mission on FLN, also seems to be inadequate. This will seriously hamper the recovery from the post-pandemic learning gaps in FLN. Similarly, the

ambitious targets for expansion and restructuring are not matched with commensurate budgetary allocations to universities and HEIs. This level of education budget can at best fund the low resource-intensive tasks such as the creation of regulatory and curricular frameworks, reorganisation of the institutions, and implementation planning in the current fiscal.

**Endnotes:**

<sup>[1]</sup>All budgetary data is derived from Government of India (2021a) and Government of Karnataka (2021) budget documents for FY 2021-22.

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