

The Budget and Education*

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Forget the massive and overblown promises to farmers and on health insurance, which were not covered by any budgetary provisions. Ignore the supposed increases in rural development spending, which are all to be met through “extra-budgetary and non-budgetary sources”. Disregard the declared concern for rural areas, the poor and women, which has translated into next to nothing in terms of actual allocations. The real story of this Union Budget is not to be found in the verbose rhetoric of the Finance Minister’s speech or in the supposedly “big ticket” items, which amount more to a manifesto of the ruling party for the forthcoming general elections than any real declaration of the government’s spending intent. Rather, it is concealed in the minutiae of the central government’s spending plans, especially for the social sector.

If there is one overarching theme in Budget 2018-19, it is that of privatisation. That is why it is quite amusing to see some reactions that criticise the Budget for being too “socialistic” – the reality is quite the opposite. The grandiose health insurance plan (if it ever does get off the ground) is essentially the renegeing of government responsibility for health care, which throws open tertiary medical care to private providers even though that is fraught with problems given the imperfections and poor regulation in this sector. Public health programmes are being undermined, with an absolute reduction in the allocation to National Health Mission; the flagship Swachh Bharat Abhiyan gets less money so that sanitation also will have to be met through private provision; money for the rural public housing programme has been cut, which means even the poor who need houses will be able to rely less on public funding; and so on.

The thrust towards privatisation is also clearly evident in the patterns of education spending. The Budget Speech emphasised education as a priority area, but once again there were no allocations to match. In fact, the share of the HRD Ministry in total central government expenditure is slated to be the lowest in the last five years, at less than 3.5 per cent. Total education spending is budgeted to increase by less than 4 per cent over the previous year’s allocation, indicating a decline in real terms, after accounting for inflation. So any real changes are clearly expected to come from the private sector and to be financed by private participation. The implications like declining spread, reduced access, greater exclusion and increased inequality are obvious.

Remember that school education remains significantly underfunded relative to the country’s needs, denying the bulk of our children access to good quality schooling essentially because the state cannot be bothered to spend the required money. At least 80 million children are still out of school, and many of those who are enrolled do not attend regularly because the quality of infrastructure and basic provision is so poor. A quarter of government schools lack basic infrastructure like toilets and functional classrooms. Ten per cent of schools still have only a single teacher, for all grades. Around a million teaching posts are vacant in schools across the country, amounting to nearly one-fifth of the teaching positions. Many government schools are being run down and then closed, forcing parents and children to enrol in private schools. Teacher training and retraining is still well below target, even though the government

keeps pushing back the dates by which targets must be met. Fixing all this is urgent and more time cannot be lost – but clearly for the central government the matter is not pressing enough to increase allocations accordingly.

Instead, verbiage is sought to compensate for spending, in the smoke-and-mirrors routine that has now become standard for this government. Operation Digital Board for schools was announced with the usual fanfare, but the budgetary allocation for digital e-learning has actually been reduced to a paltry Rs 456 crore. As it happens, official data tell us that in 2015-16 only 62 per cent of schools even had electricity connections, only 24 per cent had functional computers – and only 9 per cent had both! So it is not clear how many government schools are in any position to take advantage of such a scheme.

In higher education, the Finance Minister announced a new scheme “Revitalising Infrastructure and Systems in Education” or RISE. This in itself is all to the good – it is probably much more important to upgrade and improve existing institutions than to go on mindlessly creating new ones. But the catch is that this is not to be financed from the Budget, but from the new Higher Education Financing Authority (HEFA) which is a non-bank financial company set up last year by the government in association with Canara Bank, to provide low-cost loans to educational institutions. The borrowing institution has to repay the principal while the central government will pay interest costs. HEFA has been given a budgetary allocation of Rs 2750 crore and told to raise Rs 100,000 crore from the market. Already in 2017 it provided loans of Rs 2066 crore to six engineering colleges.

This means that universities and colleges will have to borrow money from HEFA if they want to upgrade and improve – and obviously repayment of these loans will depend on their being able to generate more revenues from students’ fees. So not today, but in the near future, students will have to pay for this supposed improvement in infrastructure and facilities through higher fees. This is quite a shift from the previous grant-based allocations of funds to public higher education institutions, and to a significant will force a commercial approach on them, because of the problem of eventual repayment.

It is true that in the past, money has been allocated disproportionately to some “institutions of excellence” while leaving the vast majority of universities and colleges massively underfunded. But this shift is the opposite of a solution to that discrepancy. In keeping with the overall approach of commercialising and privatising higher education, the total budget for higher education sees an increase of only Rs 148 crore (or 0.4 per cent!) over the previous year’s budget outlay, which amounts to a real decline after accounting for inflation. The Budget has substantially cut allocations to the University Grants Commission that funds central universities and part-funds many state universities, as well as outlays for the IITs and IIMs. Central universities will get significantly less money, even though many of them are also underfunded relative to needs. And this move will force all institutions, including less privileged institutions, to seek ways to borrow in order to access additional funds and then look for ways of raising their own resources, which can ultimately only come from students.

This is likely to generate a deeply exclusionary process that will deny access to tens of millions of young people from less well-off families. It is also likely to generate a

problem of student loans, something that is plaguing the United States and a number of Asian countries that have opted for this privatised and loan-based model of higher education. Already, slightly more than two-thirds of tertiary education enrolment is in private institutions, which most students in the country can ill afford. Now even public institutions (many of which are being attacked in other ways and sought to be ground down so they cannot flourish in the realm of ideas and knowledge) are being forced into the straitjacket of looking for financial returns from their operations.

In the 2014 electoral campaign, the BJP and Narendra Modi had repeatedly promised to increase education spending to 6 per cent of GDP. Instead, they have brought it down less than 3.5 per cent of the government budget! The aspirational youth who looked to Modi and this government to bring them jobs and better quality education have received yet another slap in the face. No wonder the ruling party and its wider parivar seek to encourage and promote vigilante groups of the most aggressive and violent types, to divert the youth from asking questions about why they have been betrayed.

*** This article was originally published in the Frontline Print edition: March 2, 2018.**