



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

Analysis of Household Expenditure on Elementary Education in India

Shivendra Singh¹

Dr. Manokamana Ram²

¹ Assistant Professor, C.S.N (P.G) College, Hardoi, (U.P) and Research Scholar, Department of Economics, Banaras Hindu University, Varanasi

² Assistant Professor, Department of Economics, Banaras Hindu University, Varanasi

Abstract

Educational expenditure has been rising in India, especially in the last three decades at both government as well as household levels. The government expenditure as percentage of total budgetary expenditure at both the central and state governments have increased over time, albeit slowly. In case of household expenditure (private expenditure) on education has remarkable been increased as seen from National Sample Survey Organisation (NSSO) data of consumer expenditure on education. In the study, data has been taken from different round of NSSO such as 52nd Round (1995-96), 64th Round (2007-08), 71th Round (2014) and 75th Round (2017-18) and time period of study is 1995-96 to 2017-18. The analysis found that average annual household per student educational expenditure has increased from Rs. 1149 to Rs. 6024 in primary education and Rs. 1529 to 6866 in upper primary education from 1995-96 to 2017-18. The parent's expenditure on tuition and examination fee is a largest share on education in urban sector as comparison rural sector. The expenditure on books, stationary and uniform expenses is more in rural sector as comparison to urban sector.

Key Words: Household expenditure, per student expenditure, primary and upper primary education, etc.

I. Introduction

Adam smith implicitly accepted the growth of the wealth of nation as a welfare criterion. Economic welfare is commonly measured in term of human development. The World Conference on Education for All Jomtien, Thailand, (5-9 March 1990), emphasised that worldwide expansion of basic education and ensure that the basic learning of all children (UNESCO, 1990). The World Education Forum (Dakar, Senegal, April 2000) established a collective commitment by all participants to achieve the goals and targets of Education for All by 2015 and completely free and compulsory primary education especially for girls (UNESCO, 2000). The significance improvement can be seen in education sector in country after post-independence. The enrolment rate has significantly increased at both the primary as well as upper school. In 1950-51, around 19 million children were enrolled in primary level and 3 million children enrolled in upper primary level (Mehta (n.d), while it's has increased from about 129 million and 67 million at both primary and upper primary school respectively in 2016-17 (MHRD, 2018).

The expenditure on education and health are most essential factors for human development. The increase expenditure on education will lead to human development. The total expenditure on education by Centre and States' government in terms of percentage of GDP of country provides a measure for importance of education in the society. The government expenditure on education as a percentage of GDP has never risen above 4.14 per cent of GDP since in 2000-01(MHRD-2018) despite the target of 6 per cent having been set by the Kothari Commission (1968). The household expenditure decision-making for education can be understood in terms of economic benefits. The net economic benefits of education are measured in terms of internal rates of return on education. India's private final consumption expenditure accounts for about three-fifth of GDP at market price (Economic survey, 2012-13). The share of educational expenditure in total consumption expenditure was 3.1 percent and 5.7 percent in rural and urban sector respectively (NSSO, 68th Round 2014). The expenditure on education was incurred in two ways, first is individual expenditure and second is government or institutional expenditure. Individual expenditure denotes to the expenditure made by parents. Thus, it is referred to as household expenditure on education. The institutional expenditure is referred to as government expenditure on education. The household and government expenditures on education are in the ratio of about 1: 2.5 in 2007-08 (Tilak, 2009). Government and household expenditure in education are highly significant not only because of their magnitudes, but also because of their nature and characteristics.

But with this entire rise in expenditure on education the outcomes are not very satisfactory because resulted with poor quality of learning, poor infrastructure in school, gap in literacy rate between male and female and number of poor children out of school. The disappointing outcomes of education in South Asia are a matter of concern. Much of what South Asian students are taught is "procedural" or rote-based. Students don't understand what they are being taught; they cannot answer those questions that teachers though in the class. Students are poorly prepared in practical competencies such as measurement, problem-solving, and writing of meaningful and grammatically-correct sentences (World Bank, 2014). The around 50 percent class IV student Indian student could not solve multidigit subtraction. Geographical variation also matter of concern in South Asia. Indian student learning performance in language and mathematics is better in both urban areas than rural area. Student Learning Study (SLS) shows that rural-urban gap is greater in language than in mathematics. It is smallest gap at the higher grades (class VIII), with practically no difference noticeable in class VIII mathematics scores. This may be affected by high dropout rates in rural areas (mostly because staying in school has a high opportunity cost for students come from poor and farmer families). The rural students who reach in grade VIII are likely to be academically strong and motivated (Dundar et al, 2014).

An analysis of Indian private educational expenditure decisions depend on various factors related to the household characteristics such as household's cultural and socio-economic characteristics as well as family's behavior. One of the main characteristics of household is the number of members in a family's. The probable relationship between educational expenditure and the size of the household is ambiguous. If resources have to be distributed between more families' members, reducing the availability for educational expenditures, but on the other hand, if more people pay to the household budget, which might be positively, affect allocation of extra resources in education. The other exogenous variables to the household might affect the expenditures in education, if household is located in an urban sector there are more concentrate in educational institutions, increasing competition in the provision and facilitating access in comparison to rural sector.

Educational expenditure has been rising in India, especially in the last three decades at both government as well as household levels. Government expenditure as percentage of total budgetary expenditure at both the central and state governments has increased over time, albeit slowly; however, the absolute amount devoted to education has been substantial increased. In case of household expenditure (private expenditure) on education has been remarkable increased as seen from National Sample Survey Organisation (NSSO) data on consumer expenditure on education. Thus, educational expenditure financed by both government and private sector in

country that's committed for human development because of it is associated with positive externalities. But with this entire rise in government and household expenditure on education the outcomes are not very satisfactory because resulted with poor quality of learning, poor infrastructure in school, gap in literacy rate between male and female and number of poor children out of school. The objective of study is to check the trends and patterns of household expenditure on education in elementary education (primary and upper primary) in rural and urban sector. The study also examine the household expenditure with item wise in primary and upper primary in rural and urban sector. For analysis of study, data are obtained from various report of National Sample Survey Organisation (NSSO) and time period of study is taken from 1995-96 to 2017-18. The study classified into seven sections. The section-1 provides a brief introduction of study. Section-2 provides information about household expenditure on education. Section-3 contains the information of the distribution of students by types of institution and courses. Section-4 provides information about share of education in total consumption expenditure. Section-5 shows analytical analysis of average annual per student expenditure in rural and urban sectors. Section-6, analyses the components of expenditure on Education. Section-7 provides a brief summary of study.

II. Household Expenditure on Education

The government expenditure data on education are easily available in different government organization but information on household investment on education is very limited. There are two main sources of data of household expenditure on education. First is the Central Statistical Organisation (CSO) which is published every year data 'private final consumption expenditure' and second is the household surveys of the National Sample Survey (NSS). The quinquennial survey of NSSO does not provide any additional information on the levels and pattern of education as well as the components of educational expenditure. The NSSO provide household expenditure on education information separately in various report of 'Household Social Consumption on Education in India' for rural and urban sectors. The growth of household educational expenditure has increased since independence. Educational expenditure has increased in real prices by 40 times since 1950-51 to 2007-08 (1999-2000 prices) and it also increased by 12.7 times in per student expenditure term during the same period (Tilak, 2009). The share of educational expenditure increased from 0.6 percent to 2.6 percent in total consumption expenditure since 1950-51 to 2007-08. Therefore, these data provide evidence that the household educational expenditure significantly increased over the period of time. The study shows that poor people are spending equal amount of expenditure as comparison to richer in the country on the elementary education (Rao, 2014).

The household expenditure in education is influenced by variety of factors like family socio-economic background, parent's income, rural-urban divide and so on. The expenditure on education has increased continuously from 2004-05 to 2011-12 in both rural and urban sectors. In rural sector, its share increased 2.7 percent to 3.1 percent and in urban sector its share increased by 5 percent to 5.7 percent in total consumption expenditure during the 2004-05 to 2011-12 (NSSO, 2014). The percentage share of household expenditure on education in urban sector is higher than rural sector. The notable thing is that household giving importance to education basically in primary, middle and senior secondary level (75th Round, NSSO).

III. Distribution of Students by Type of Institution and Courses

There are three types of schools in India such as government, private aided and private unaided. The government schools has entirely funded by government. The private aided schools or institution is running in privately managed system, but teacher salaries and other expenditures financed by government. The private aided schools teachers' salaries are equal paid at government teacher salary rates directly from the state government treasury and they are recruited by government appointed Education Service Commission (Goyal & Pandey, 2009). Private unaided schools are running completely privately managed and privately funded. There are of two types of private unaided schools such as recognized and unrecognized and these schools run completely on revenue from fees (Goyal & Pandey, 2009).

Table-1: Percentage Distribution of Students by Type of Institution, 2017-18

Level of Education	Type of Institution	Male	Female	Total
Primary School	Government	61.5	64.9	63
	Private Aided	8.7	8.3	8.6
	Private Unaided	29.6	26.6	28.3
Upper Primary School	Government	65.2	67.8	66.4
	Private Aided	10.7	10.1	10.4
	Private Unaided	24.1	21.9	23.1

Source: Household Social Consumption on Education in India, NSSO 75th Round.

Table-1, shows that around 63 percent primary students are studying in government schools and 8.6 percent student in private aided schools and remaining around 28 percent primary school student are studying in private unaided in the academic year 2017-18. In upper primary schools, around 66 percent student was studying in government, 10 percent student in private aided and remaining 23 percent student was studying in private unaided schools. The same table also highlighted that the number of female student was studying more in government schools as comparison to boys in primary and upper primary school. In government primary school, the female student was around 65 percent whereas male student was around 61 percent in primary schools, while, female student in private unaided school is around 26 percent and 29 percent male student in the academic year 2017-18. In upper primary school, around 67 percent female student and 65 percent male student was studying in government schools and around 21 percent female student and 24 percent male student was studying private unaided schools in the academic year 2017-18. It is indicated that the society is keeping biasness behavior among the children's education.

The NSSO has classified education into general courses and technical or professional courses. The general courses such as main stream of education such as primary and upper primary education, secondary and higher secondary education and graduate and post graduate education. In the technical or professional courses is such as diploma certificate and technical education. The following Table-2 showed that around 96 percent students are pursuing general courses whereas around 4 percent student is achieving technical or professional education.

Table-2: Percentage Distribution of Students by Type of Course Pursuing

Type of Course Pursuing	Male (%)	Female (%)	Person (%)
General Course	95.5	96.9	96.1
Technical/Professional Course	4.5	3.1	3.9
Total	100	100	100

Source: Household Social Consumption on Education in India, NSSO 75th Round.

IV. Share of Education in Total Consumption Expenditure

It is important to analyse the share of education in total household expenditure. The share of household expenditure on education is continuously increasing in total household consumption expenditure both rural and urban sector in India after post reform period. The Table-3 shows that educational expenditure share increased 2.7 percent to 3.1 percent in total household expenditure in rural sectors from 2004-05 to 2011-12. The educational expenditure share has increased from 5 percent to 5.7 percent in urban sector for the period of 2004-05 to 2011-12. The percentage share of household expenditure on education in urban sector is higher as comparison to rural sector.

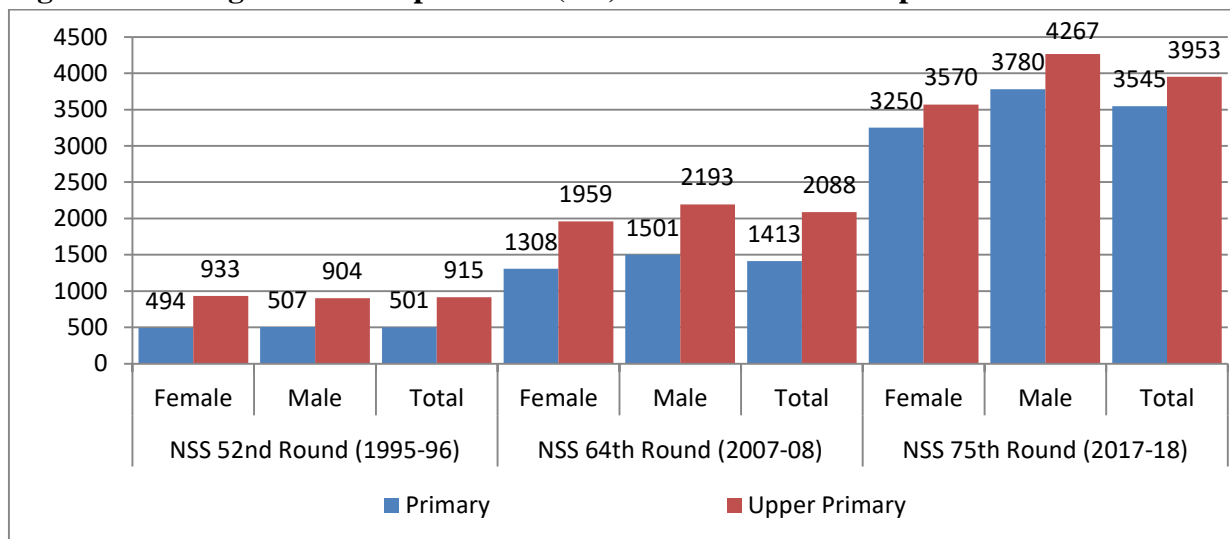
Table-3: Share of Expenditure on Education in Total Consumption Expenditure

Percentage share of Education in Total Consumption Expenditure						
Sector	Rural			Urban		
Year	2004-05	2009-10	2011-12	2004-05	2009-10	2011-12
Education	2.7	2.9	3.1	5.0	5.2	5.7

Sources: NSS KI (68/1.0): Key Indicators of Household Consumer Expenditure in India

V. Average Annual per Student Expenditure on Education

The average per student expenditure on private school is better indicator to identify the actual expenditure done by parent in the country. The NSSO data shows that the average annual per student educational expenditure of household has continuously increased since 1995-96 to 2017-18.

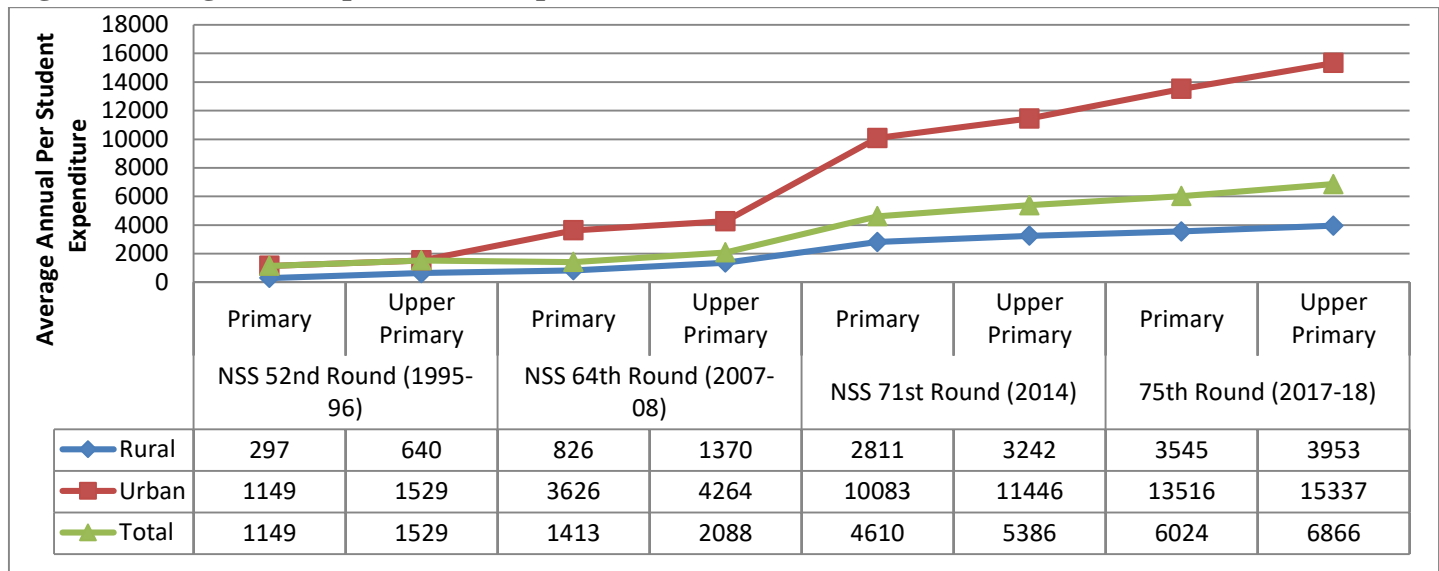
Figure-1: Average Annual Expenditure (Rs.) Per Student Breakup in Male and Female

Source: Various NSSO Report, (Key Indicators of Social Consumption in India)

The Figure-1 showed that general education expenditure for all (male and female) has increased from Rs. 501 to Rs. 3545 and Rs. 915 to Rs. 3,953 in primary and upper primary education respectively from 1995-96 to 2017-18. The figure-1 also showed that male and female per student expenditure continuously increased. The annual female per student expenditure has increased more than 6.5 times and male student expenditure has increased more than 7.4 times in primary education. In upper primary annual female per student expenditure increased more than 3.8 times and male expenditure increased 4.7 times from 1995-96 to 2017-18. The Figure-1 indicates that parents spend less on girl's education in comparison to boys in both primary and upper primary education.

Average Annual per Student Expenditure in Rural and Urban Sectors

Average annual per student educational expenditure has increased in both rural and urban areas. In primary education, it has increased from Rs. 1149 to Rs. 6024 from 1995-96 to 2017-18. In upper primary educational it increased from Rs. 1529 to 6866 from 1995-96 to 2017-18. The average per student expenditure in urban sector has increased more as comparison to rural sector in primary and upper primary education over the same period. The rural-urban differentiation has relatively increased more in NSSO 75th round. The average per student expenditure in primary education was Rs. 3545 in rural sector and Rs. 13516 in urban sector and in upper primary education Rs. 3953 in rural sector and Rs. 15337 in urban sector from 1995-96 to 2017-18.

Figure: Average annual per student expenditure (Rs.) in rural and urban areas

Source: Source: Various NSSO Report, (Key Indicators of Social Consumption in India)

VI. Components of Expenditure on Education

The components of household expenditure on course fee like tuition and examination fee, books, stationery and uniform, transport, private coaching and other expenditure on education has shown in table. The following Table-4 represent that parents were spending comparatively more on boy's education in both primary and upper primary education. The Table-4 showed that around 50 percent expenditure of household spends on course fee such as tuition and examination fee on male and female. The expenditure on books, stationery and uniform has spent around 20 percent in primary education and 22 percent in upper primary education. The transport expenses on primary education are more as comparison upper primary education. The transport expenditure was around 12 percent in primary education and around 10 percent in upper primary education. The share of private coaching was around 12 percent in upper primary whereas 8 percent in primary education. The other expenses on education were around 5 percent in primary and upper primary education.

Table-IV: Average Expenditure (Rs.) On Basic Course per Student in 2017-18

Gender	Male		Female	
Types of School	Primary	Upper Primary	Primary	Upper Primary
Course Fee like Tuition and Examination Fee and Other Development Fee	3409 (53.56%)	3635 (49.98%)	2954 (52.83%)	3136 (49.25%)
Books, Stationery and Uniform	1312 (20.61%)	1582 (21.75%)	1188 (21.25%)	1447 (22.73%)
Transport	812 (12.76%)	768 (10.56%)	695 (12.43%)	675 (10.60%)
Private Coaching	526 (8.26%)	915 (12.58%)	473 (8.46%)	759 (11.92%)
Other Expenditure	306 (4.81%)	373 (5.13%)	280 (5.01%)	350 (5.50%)
Total Expenditure	6365 (100%)	7273 100%	5591 100%	6367 100%

Source: Household Social Consumption on Education in India, NSSO 75th Round.

Components of Expenditure on Education in Rural and Urban Sectors

There is substantial gap in education expenditure on education in rural and urban sectors in India. The following Table-5 showed that per student average expenditure in urban sector is more than around 3.8 times in primary and upper primary education respectively. The parent's expenditure on tuition and examination fee was more in urban sector as comparison rural sector. The average expenditure share of expenditure on tuition and examination fee in total expenditure on education was around 44 percent and 38 percent in primary and upper primary education in rural sector whereas 60 percent and 58 percent in urban sector respectively. The expenditure on books and stationery and uniform expenses was more in rural sector as comparison to urban sector. The expenditure on books, stationery and uniform was around 27 percent in primary and 30 percent in upper primary in rural sector whereas it expenditure around 16 percent in urban sectors.

Table-V: Average Expenditure (Rs.) on Basic Course per Student 2017-18

Sector	Rural		Urban	
Types of Schools	Primary	Upper Primary	Primary	Upper Primary
Tuition Fee, Examination Fee and Other Payments	1584 (44.68%)	1518 (38.40%)	8119 (60.07%)	8917 (58.14%)
Books, Stationery and Uniform	957 (27.00%)	1187 (30.03%)	2164 (16.01%)	2494 (16.26%)
Transport	497 (14.02%)	443 (11.21%)	1559 (11.53%)	1551 (10.11%)
Private Coaching	297 (8.38%)	534 (13.51%)	1122 (8.30%)	1749 (11.40%)
Other Expenditure	209 (5.90%)	272 (6.88%)	553 (4.09%)	626 (4.08%)
Total Expenditure	3545 (100%)	3953 (100%)	13516 (100%)	15337 (100%)

The share of transport expenditure on education was more in primary education in both rural and urban sector as compared to urban sector. The share of transport expenditure in total expenditure was around 14 percent and 11 percent in primary and upper primary in rural sector and around 11 percent and 10 percent in primary and upper primary education in urban sector. The share of private coaching in total household expenditure was more in upper primary education as compared to primary education. The rural sector parents were spending a larger share on private coaching as compared to urban sector in upper primary education. The Table-5 showed that rural sector parents spend on tuition around 13 percent in upper primary education whereas around 11 percent in upper primary in urban sector. The share of private coaching expenditure was around 8 percent in primary education in rural and urban sector respectively. The other expenditure on education was around 6 percent in rural sector and 4 percent in urban sector in primary and upper primary.

Reading Skill of Children in Uttar Pradesh and India

Surveys conducted by Pratham, (provided the Annual Survey of Education Report -ASER) and the National Achievement Survey (NAS) conducted in 2010, both reports indicate that low levels of learning outcomes among children in India. According to ASER report 2007, all India level, those students were studying in elementary education in which around 8 percent of students could not recognize letters and this situation became more pitiable in 2016, around 14.50 percent of students could not recognize letters. Table-VI, showed that the reading skill of paragraph a longer paragraph (Class II level text), all India level has declined from 41 percent to 38 percent from 2007 to 2016 respectively. According to Table-VI, about 5 percent of Class III students were not recognizing letters in India in 2007, but it reached about 13 percent in 2016. Thus, we can say that the reading ability of students is declining over time.

Table-VI. Level of Reading in Elementary Education: India and Uttar Pradesh

Reading Level 2007						
Class	Nothing	Latter	Words	Para Class-I	Para Class-II	Total
All India	8.02%	16.06%	17.10%	17.16%	41.65%	100%
Class 3	5.25%	16.76%	28.95%	27.43%	21.61%	100%
Class 5	1.89%	5.31%	11.86%	22.17%	58.77%	100%
Class 6	1.23%	2.97%	6.92%	17.14%	71.74%	100%
Class 8	0.70%	1.35%	2.74%	8.61%	86.61%	100%
Reading Level 2016						
Class	Nothing	Latter	Words	Para Class -I	Para Class-II	Total
All India	14.50%	18.30%	14.10%	14.50%	38.60%	100%
Class 3	13.60%	24.10%	19.90%	17.30%	25.10%	100%
Class 5	6%	13.30%	14.20%	18.60%	47.80%	100%
Class 6	4%	9.60%	11.60%	18%	56.90%	100%
Class 8	2%	5.40%	6.50%	13%	73%	100%

Source: Various ASER Report.

VII. Conclusion

The present study showed that the educational expenditure on education has increased continuously at household level from 1995-96 to 2017-18. Average annual household per student educational expenditure has increased from Rs. 1149 to Rs. 6024 in primary education and Rs. 1529 to 6866 in upper primary education from 1995-96 to 2017-18. The analysis indicates that parents spend less on their girl's education in comparison to boys in both primary and upper primary education. The results highlighted that rural-urban differentiation has relatively increased according to NSSO 75th round. The average per student expenditure in primary education

was Rs. 3545 in rural sector and Rs. 13516 in urban sector and in upper primary education it was Rs. 3953 in rural sector and Rs. 15337 in urban sector for the period of 1995-96 to 2017-18. The parent's expenditure on tuition and examination fee was a largest share on education in urban sector as comparison rural sector. The expenditure on books, stationary and uniform expenses was higher in rural sector as comparison to urban sector. The expenditure on books, stationery and uniform in total household expenditure on education was around 27 percent in primary and 30 percent in upper primary in rural sector whereas it was around 16 percent in both primary and upper primary in urban sectors. The share of private coaching in total household expenditure is higher in upper primary education as comparison to primary education. The rural sector parents are spending larger share on private coaching as comparison urban sector in upper primary education. The study found that increase household expenditure decline the learning quality of student in India. About 5 percent Class-III students were not recognising letter in India in 2007, but it reached about 13 percent in 2016. The poor learning outcomes the numbers of factors affecting it such as parents education and parents monthly expenditure on children.

Reference

- Goyal, S. and Pandey, P. (2009). *How do Government and Private Schools Differ? Findings from two large Indian states*. (South Asia Human Development Sector, Working Paper Report No. 30). Retrieved from <https://openknowledge.worldbank.org/bitstream/handle/10986/17962/526340NWP0publ10box345574B01PUBLIC1.pdf?sequence=1&isAllowed=y>
- Rao, P. (2014). Analysis of Household Expenditure on Education. *International Journal of Education and Information Studies*. Volume 4, Number 1 (2014), pp. 35-39.
- Economic Survey (2012-13). Ministry of Finance, Government of India. New Delhi.
- National Sample Survey Office (2014). Level and Pattern of Consumer Expenditure, 68th Round, Report No 555, New Delhi: Ministry of Statistics & Programme Implementation, Government of India.
- Tilak, J. B. G. (2009). *Household Expenditure on Education and Implication for Redefining the Poverty Line in India*. New Delhi. Background Paper, Prepared for the Expert Group on the Review of the Methodology for Estimation of Poverty (Planning Commission, May 2009).
- National Sample Survey Office (2020). *Household Social Consumption on Education in India, 75 Round*. Ministry of Statistics & Programme Implementation, Government of India New Delhi.
- National Sample Survey Office (2014). *Key Indicators of Social Consumption in India: Education, 71 Round*. Ministry of Statistics & Programme Implementation, Government of India New Delhi.
- National Sample Survey Office (2010). *Education in India: 2007-08 Participation and Expenditure. 64th Round*. Ministry of Statistics & Programme Implementation, Government of India New Delhi.
- National Sample Survey Office (1995-96). *India - Participation in Education. 52nd Round*. Ministry of Statistics & Programme Implementation, Government of India New Delhi.
- UNESCO, (1990). *World Declaration on Education for All and Framework for Action to Meet Basic Learning Needs*, Paris. Retrieved from <https://unesdoc.unesco.org/ark:/48223/pf0000127583>
- UNESCO (2000). *Dakar Framework for Action the World Education Forum Dakar, Senegal, 26-28 April 2000*. Retrieved from https://bice.org/app/uploads/2014/10/unesco_dakar_framework_for_action_the_world_education_forum.pdf
- Mehta, A. (n.d). *Education for All in India with Focus on Elementary Education: Current Status, Recent Initiatives and Future Prospects*. Retrieved from <https://www.educationforallinindia.com/page101.html>

- Ministry of Human Resource Development (2018). *Educational Statistics at A Glance, 2018*. New Delhi.
- MHRD. (2018). *Analysis of Budgeted Expenditure on Education 2013-14 to 2015-16*. New Delhi, India.
- Pratham, (2015). ASER 2014: Annual Status Of Education Report, New Delhi, Pratham.
- Dunder, H. et al (2014). *Student Learning in South Asia Challenges, Opportunities, and Policy Priorities*. Washington D.C, The World Bank.

