



## Education Sector in the Union Budget 2023-24 with Focus on School Education

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### Introduction

Ever since the Kothari Commission (1968) recommended 6 percent of the GDP for the education sector, which was later reemphasized by the following committees, commissions, and policy documents but never crossed 4.15 percent (in 1999) of the GDP, which is now almost stagnant at 2.8 for the last couple of years, recently adopted the National Education Policy 2020 reaffirmed the commitment of the Government that efforts will be made to reach 6 percent of the GDP but didn't mention the year by which the Government intends to achieve this goal which would have far-reaching implications for the education sector which is still far away in attaining the status of universal school education in the real sense which is also true for the global commitment in attaining sustainable goals in general and education in particular (SDG4 Education).

The Economic Survey (ES) 2022-23 presented details of expenditure on Social Services expenditure during the period 2015-16 to 2020-21 on an Actual Basis and also for the period 2021-22 (Revised Estimates) and 2022-23 (Budgeted Estimates). Education and Health Sectors are important Social Sector Services, details of which are presented in the ES 2022-23.

Expenditure on Social Services is also presented as a percentage of GDP, revealing that India is still far from an expenditure of 6 percent on the Education Sector. The entire Social Sector has an 8.3 percent expenditure of GDP in 2022-23 (Budgeted), to which the share of education is 2.9 percent and that of the Health Sector 2.1 percent. As against the 6 percent expenditure on education to GDP, the Economic Survey tabled in the Parliament on 31<sup>st</sup> January 2023 indicates that it was 2.8 percent during the period 2015-16 to 2018-19 and 2.9 percent during 2019-20 & 2020-21 and remained stagnant at 2.9 in 2020-21 (Revised Estimates) and 2021-22 (Budgeted Estimates). Because of the far-reaching implications of the *National Policy on Education* (NEP 2020), a significant increase in the allocation to the education sector is very much required. ([See Table](#))

Some of the main recommendations of NEP 2020 adopted by the Government are as follows:

- New Policy aims to universalize education from pre-school to secondary level with a 100 % Gross Enrolment Ratio in school education by 2030.
- NEP 2020 will bring two crores (200 million) of out-of-school children into the mainstream.

- The current 10+2 system will be replaced by a new 5+3+3+4 curricular structure. The new system will have 12 years of schooling with three years of *Anganwadi*/ pre-schooling.
- Emphasis on Foundational Literacy and Numeracy.
- A new and comprehensive National Curriculum Framework for Teacher Education.
- The gross enrollment ratio in higher education will be raised to 50 % by 2035; 3.5 crores (35 million) seats will be added to higher education.
- Under Graduate education can be of 3 or 4 years with multiple exit options and appropriate certification within this period.
- Academic Bank of Credits is to be established to facilitate the Transfer of Credits
- The Higher Education Commission of India will be a single umbrella body for higher education.
- Every college would develop into either an Autonomous degree-granting college or a constituent college of a university.
- The Centre and the States will work together to increase public investment in the Education sector to reach 6% of GDP at the earliest.

## **The Present Article**

Based on the information in the Union Budget 2023-24, an effort has been made to look at the budget and actual and revised estimates in case of the allocation made to the Ministry of Education. Needless to mention that the Ministry has two departments, namely the *Department of School Education & Literacy* and the *Department of Higher Education*. All the activities of the Ministry fall under these two departments. However, the focus of the present note is more on the *Department of School Education & Literacy*, which plays a pivotal role in ensuring that it sends an adequate number of secondary graduates to higher education level, without which the goal of 50 percent GER as envisaged in NEP 2020 is not likely to be realized by 2035. Without improving the efficiency of school education, the higher education sector is not expected to receive an adequate number of secondary graduates. The school education department must receive adequate funds to initiate activities as adopted in the NEP 2020.

## **Ministry of Education: Budget Allocation**

Budget allocation on the education sector during the period 2017-18 to 2023-24 presented in Table 1 reveals that the same barring the year 2021-22, has consistently increased from Rs. 81,868 crores in 2017-18 to Rs. 1,04,278 crores in 2022-23 to Rs. 1,12,899 crores which are 8.27 percent more than the same in the previous budget. During 2021-22, the allocation to education declined by 6,088 crores which is 6.13 percent of the allocation in 2020-21. With Rs. 1,12,899 crores allocated in 2023-24, it is the second time that the Union Budget has allocated more than 100 thousand lakhs (1,00,000) rupees to the education sector is the highest in the recent past. From 2017-18 to 2023-24, the allocation has risen by more than Rs 31,031 crores, which is 38 percent more than the allocated in the year 2017-18.

Details of actual expenditure (2021-22), budgeted and revised estimates of 2022-23, and budgeted allocation in the year 2023-24 presented in Table 2 reveal that budgeted allocation

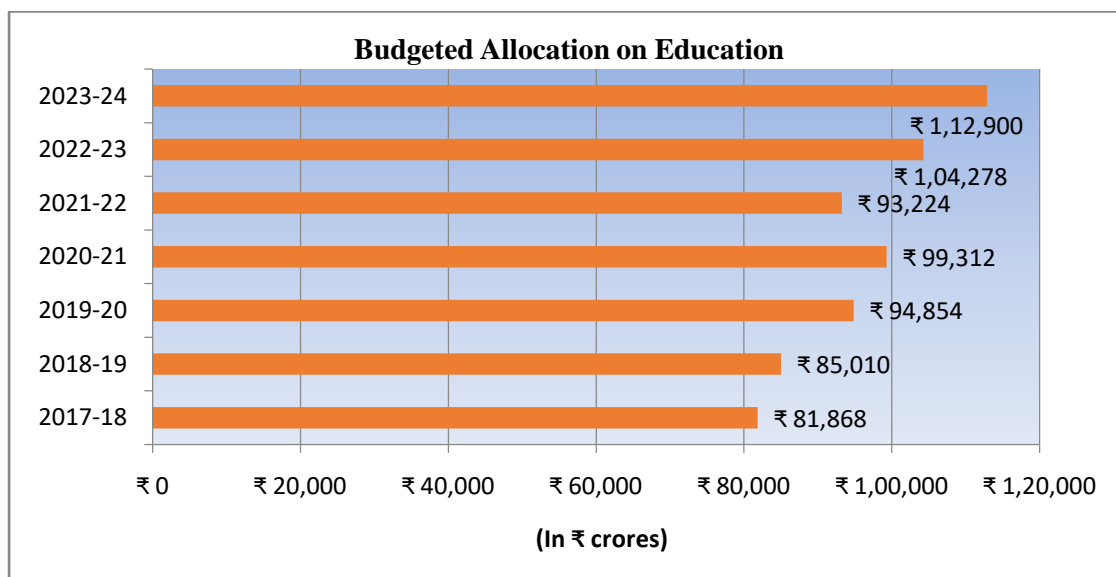
to the Ministry of Education has increased to ₹1,12,900 crores in 2023-24 from ₹1,04,278 crores in the previous year, i.e., 2022-23; thus showing an increase of ₹5,356 crores which is 8.44 percent more of the total budgeted allocation to the Ministry of Education in the previous year, i.e.2022-23. However, the budgeted allocation was revised to 99,881 crores which is ₹4,397 crores less than the actual budgeted allocation or 4.22 percent lower than the original allocation. As against the budgeted allocation of ₹1,12,900 crores in 2023-24, the

**Table 1: Budget Allocation to Education Sector: 2017-18 to 2023-24 (In ₹ Crores)**

Year	Allocation	Change over Previous Budget	%age Change
2017-18	81,868	-	-
2018-19	85,010	3,142	3.84
2019-20	94,854	9,844	11.58
2020-21	99,312	4,458	4.70
2021-22	93,224	-6,088	-6.13
2022-23	1,04,278	11,052	11.86
2023-24	1,12,899	8,621	8.27

Source: Union Budget Different years, Ministry of Finance, Government of India. Users are advised to refer to the original budget documents for further use.

actual expenditure of the Ministry of Education in 2021-22 is ₹80,352 crores, thus indicating the budgeted allocation of 2023-24 is more by a hoping ₹32,548 crores, an increase of 40.51 percent. It may also be observed that an amount of ₹93,224 crores was allocated in the Union Budget 2021-22 for the Education Sector. However, the budgeted allocation was later revised to ₹88,002 crores which is ₹5,222 crores, less than the actual budgeted allocation or 5.60 percent lower than the original allocation.



**Table 2: Actual Expenditure, Revised Estimates, and Budgeted Allocation  
Ministry of Education**

Department	Actual Expenditure 2021-22	Budget 2022-23		Budgeted Allocation 2023-24
		Budgeted	Revised	
Department of School Education & Literacy	46821	63449	59053	68805
<i>%age to Total Education Budget</i>	58.27	60.85	59.12	60.94
Change over the Previous Budget	-	16628	12232	5356
Department of Higher Education	33531	40828	40828	44095
<i>%age to Total Education Budget</i>	41.73	39.15	40.88	39.06
Change over the Previous Budget	-	7297	7297	3267
<b>Total Ministry of Education</b>	<b>80352</b>	<b>104277</b>	<b>99881</b>	<b>112900</b>
<i>%age to Total Budget</i>	2.12	2.64	2.39	2.51
Change over the Previous Budget	-	23925	19529	8623
<b>TOTAL BUDGET</b> Size 2023-24 (In ₹ crores)	<b>3793801</b>	<b>3944909</b>	<b>4187232</b>	<b>4503097</b>

Source: Union Budget 2023-24, Ministry of Finance, Government of India (accessed on 02/02/2023). Users are advised to refer to the original budget documents for further use.

Table 2 further reveals that the budgeted allocation on education is 2.51 percent of the total estimated budget size of ₹45,03,097 crores as against 2.12 percent of the actual expenditure during the year 2021-22.

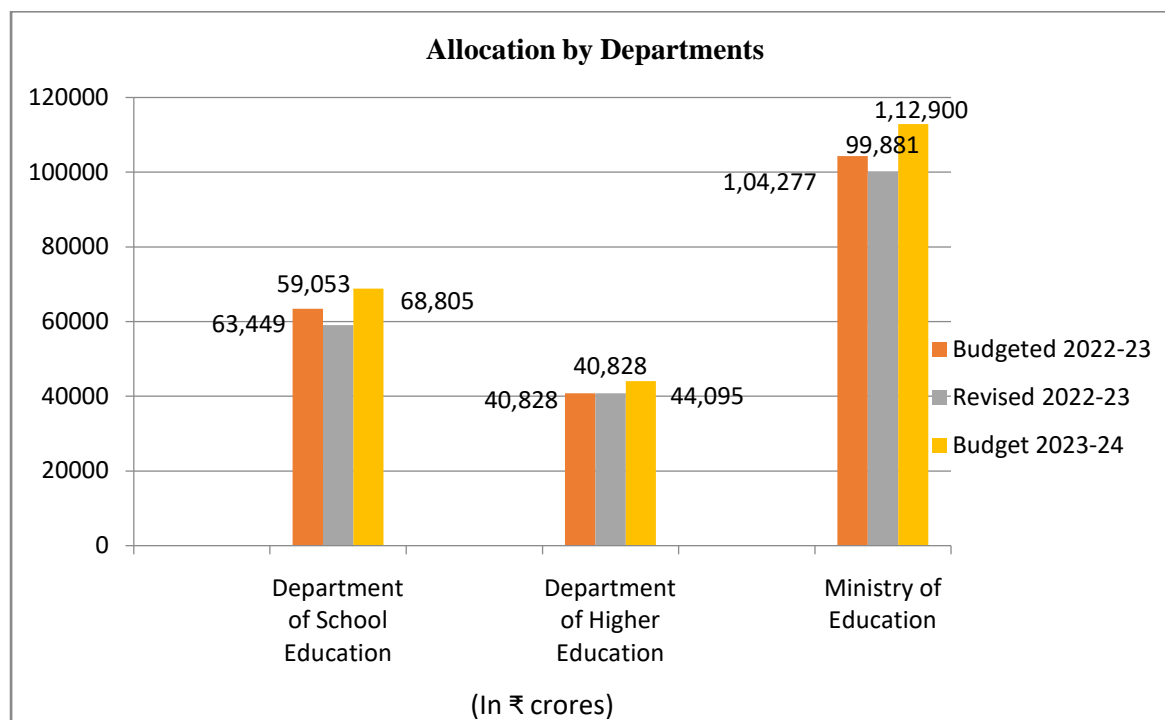
### Expenditure by Departments

All the activities of the Ministry of Education are located either in the Department of School Education & Literacy or Department of Higher Education budget allocation, which is presented in Table 2, reveals that the chunk of the allocation of the Ministry of education is used to be allocated to the *Department of School Education & Literacy* which has declined from a high 61.6 percent in 2020-21 (actual) to 58.9 percent (budgeted) in 2021-22 but improved a bit to 60.8 percent in the 2022-23 budget allocation. However, its share in 2021-22 on an actual basis has declined to 58.27 percent against a share of 60.94 percent in the latest 2023-24 budget.

In absolute terms, the allocation to the school education department was to the tune of ₹63,449 crores in the 2022-23 budget as against ₹59,053 crores (revised) in 2022-23 and ₹46,821 crores (actual) in 2021-22. Allocation in 2023-24 of ₹68,805 crores is ₹21,984 crores more than the actual expenditure of ₹46,821 crores in 2021-22.

The revised budget estimates for 2022-23 suggest that ₹4,396 crores declined the budget allocation to the Ministry of Education because of the decline in the case of the Department of School Education as against an increase of 18.01 crores in the case of the Department of Higher Education.

The 2023-24 budget allocation to the Department of Higher Education stands at 39.06 percent, which is almost similar to the budget allocation in 2021-22. However, the same was 38.4 percent of the total budget allocated to the Ministry of Education in 2020-21.



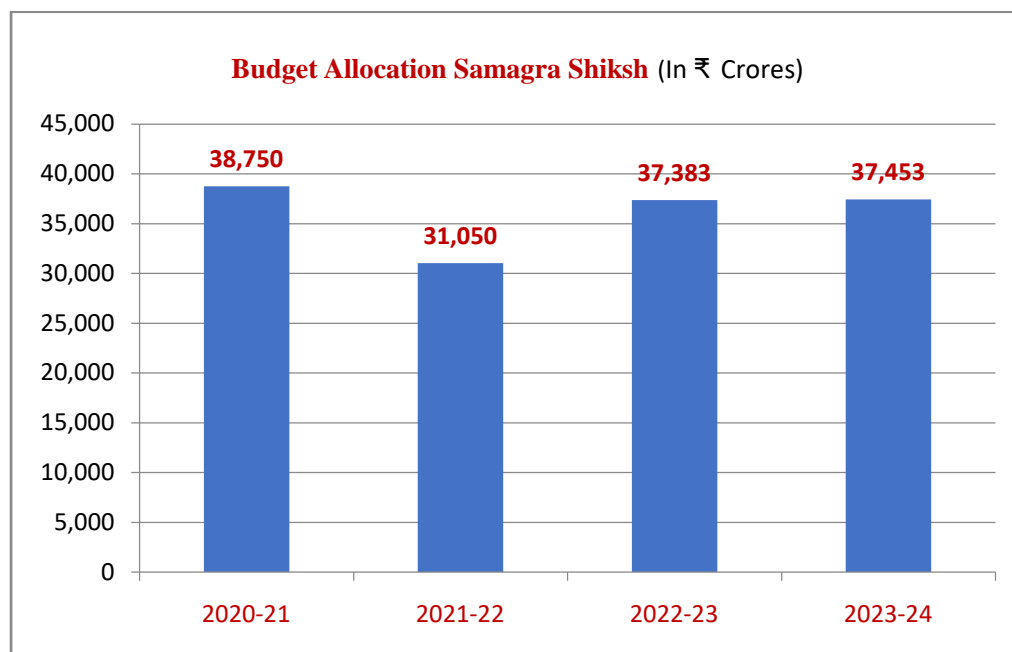
Since a chunk of the budget estimates used to be allocated to the Department of School Education & Literacy, the same concerning its various schemes has also been looked at, which reveals that the highest allocation is made to one of the flagship centrally sponsored schemes of the department, namely the *Samagra Shiksha* details of which is presented below.

### Samagra Shiksha Abhiyan

*Samagra Shiksha* (is one of the significant centrally sponsored schemes of the Department of School Education & Literacy, launched in 2018 by integrating the then *Sarva Shiksha Abhiyan*, *Rashtriya Madhyamik Shiksha Abhiyan*, and Teachers Education.

The total budget allocation on this flagship programme is more only by ₹70 crores in 2022-23 but still lower than the total allocation of ₹38,750 crores in 2020-21. The allocation on *Samagra Shiksha* in 2022-23 was more by ₹6332.2 crores.

- 2020-21 ₹38750.50 Crores, Actual Expenditure: ₹27834.57 Crores
- 2021-22 ₹31,050.16 Crores Actual Expenditure: ₹25,060.89 Crores
- 2022-23 ₹37,383.36 Crores, Revised ₹32,151.66 Crores
- 2023-24 ₹37,453.47 Crores (Budgeted)



However, the actual expenditure in 2021-22 reveals that the same is much lower at ₹25060.36 than the original allocation. Even though the allocation at ₹38,750 crores on *Samagra Shiksha* was high but the actual expenditure shows that only ₹27,834 crores could be utilized, which is ₹10,915.93 crores (28.17 percent) less than the original allocation. Similarly, the 2022-23 budget allocation of ₹37,383.36 Crores is now revised to ₹32,151.66 Crores, lowered by ₹5,231.7 crores (13.99 percent). Money disbursed to states under the *Samagra Shiksha* may not necessarily be always treated as utilized as most of the time, the installment is released late and many time-released just before the budget announcement, which is also true for the ongoing annual plan 2022-23. A study of the Centre of Policy Research's Accountability Initiative shows that "*the union government released just half the budget allocated to Samagra Shiksha Abhiyan (SSA) by December 2022*".

### Teachers Training & Adult Education

One of the other important Centrally Sponsored Schemes is Teachers Training & Adult Education, which has two components: the New India Literacy Programme and *Padhna Likhna Abhiyan*. On the one hand, the New India Literacy Programme has been allocated an amount of ₹157 Crores has been made in 2023-24; on the other hand, no allocation is made for *Padhna Likhna Abhiyan*. Nor details have been provided of actual expenditure on these components in 2021-22. The Budget 2023-24 document mention that 'A new Centrally Sponsored Scheme in the name of *New India Literacy Programme* has been designed and developed for the FY 2022-27 by aligning with the recommendations on Adult Education & Lifelong Learning of the National Education Policy (NEP), 2020".

### Pradhan Mantri Poshan Shakti Nirman

The scheme of the National Programme of Mid Day Meal in Schools launched in 2008-09 was recently renamed as *Pradhan Mantri Poshan Shakti Nirman*, under which cooked food in school is being served to students from Grade I to VIII for which an amount of ₹10,233.75

crores was allocated in the 2022-23 budget which was lower than the same allocated in 2021-22 and 2020-21. In 2023-24, an amount of ₹11,600 crores has been allocated to *Pradhan Mantri Poshan Shakti Nirman*.

The allocated amount of ₹10,233 crores in 2022-23 was much lower than the actual expenditure of ₹12,878.15 crores in 2020-21. Even the budgeted allocation of ₹11,500 crores in 2021-22 was revised to ₹10,233.75 crores, and the 2022-23 budget allocation was maintained at this amount. However, the 2022-23 budgeted allocation of ₹10,233.75 crores was revised upward to ₹12,800 crores, but the budget allocation in 2023-24 is kept lower at ₹11,600 crores.

### Strengthening Teaching-Learning and Results for States (STARS)

The overall focus and components of the STARS project have been aligned with the objectives of the National Education Policy 2020 concerning quality-based learning outcomes on which an amount of ₹313.44 crores were utilized in 2021-22. The budget 2022-23 has allocated an even higher amount of ₹550 crores but revised to Rs. 400 crores. However, the budget 2023-24 allocated a high amount ₹800 crores for this scheme which is more than the allocation in the previous year. The STARS project's components align with the objectives of NEP 2020 of Quality based Learning Outcomes.

### Allocations on Other Schemes of DOSE&L

Some of the other schemes of the Department of School Education & Literacy have been allocated funds in 2023-24 with regard to actual expenditure in the year 2021-22, budgeted and revised 2022-23 estimates, and budgeted provision of 2023-24 is presented in Table 3.

**Table 3: Other Schemes of DOSE&L (In ₹Crores)**

Scheme	Actual Expenditure 2021-2022	Budgeted 2022-2023	Revised 2022-2023	Budget 2023-2024
National Means cum Merit Scholarship Scheme	251.98	350	300	364
Kendriya Vidyalaya Sangathan	6800	7650	7512	8363.98
Navodaya Vidyalaya Samiti	3740	4115	4920.30	5486.50
National Council of Educational Research & Training (NCERT)	319.74	510	405	518.50
Central Tibetan School Administration	52.94	62		0.00
National Bal Bhawan	20.04	22	22	22.38
Autonomous Bodies	10932.72	12359	12859.30	14391.36

Source: Union Budget 2023-2024, Ministry of Finance, Government of India.