

# TOPIC OF THE WEEK

MAR'18 (01 to 07)

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## Topic: Revitalizing Infrastructure and Systems in Education

India ranks 124th in literacy rates as per several sources and given the education sector budget we might not see a rise in rankings this year.

As of last year on 8 per cent of the schools were RTE (Right to Education) compliant. In fact, education spending was 4.4 per cent in 1999 and it has now dropped to this value of 3.5 per cent which means a steady decline in a country that is supposed to be focusing on skilling its laborers to increase growth rate.

India is even behind the likes of Sri Lanka and Indonesia in terms of the Legatum Prosperity Index. Several experts in the industry are of the opinion that the education sector must receive at least 6 per cent of the total budget in order to try and reduce the demand and supply gap.

Finance Minister Arun Jaitley has presented the annual financial statement for the year 2018-19 in the

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Parliament. While talking about the new initiatives launched for the education sector, FM listed a number of amendments that are being launched in the sector for the growth of youth in the country. A new initiative known as 'RISE' was announced by the Finance Minister. RISE stands for Revitalizing of Infrastructure and Systems in Education. While talking about the same, FM Jaitley said the scheme known as RISE will be launched in the country with a total investment of Rs 1 lakh crore in the next four years.

The low hike in the education outlay was hinted at in the Economic Survey presented last month, which said the government does not have much fiscal space to spend big on social sectors including education.

"The government proposed to revitalize infrastructure, opening schools for Scheduled Tribe population as well as promoting programs for teachers, in order to improve quality education for students," said FM Arun Jaitley.

The government has allotted a total expenditure of 1.35 lakh crore for health, education and social welfare.

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The government budget for health, education and social security this year has increased from Rs 1.22 lakh crore in the current fiscal. The government has also increased the educational cess from 3 pct to 4 pct to collect additional Rs 11,000 cr, said PM Arun Jaitley.

The government is planning to increase the digital intensity in the education sector. Jaitley said that technology is the biggest driver in improving the quality of education.

We propose to increase the digital intensity in education and move gradually from blackboard to digital board.”

A new scheme is to identify bright students pursuing B.Tech in premier engineering institutes, and providing them higher-education opportunities in IITs and IISc Bangalore. Here students will receive handsome fellowships, said FM Jaitley.

In addition to the above, the government by 2022, every block with more than 50% ST population and at least

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20,000 tribal people will have an 'Ekalavya' school at par with Navodaya Vidyalaya.

In the field of medical education, the FM Arun Jaitley announced that the government is planning to set up 24 new government medical colleges in the country. FM Jaitley while presenting the Budget said that the new medical institutes will be set up by upgrading existing district hospitals, to ensure 1 medical college for every 3 parliamentary constituencies.

From a thematic point of view, the Union budget focused on two key areas of education—integration and fiscal accountability.

“We now propose to treat education holistically without segmentation from pre-nursery to Class XII,” the finance minister said in his budget speech. This may mean that the Union government is working to integrate the school education sector—from pre-school to Class XII—implying the merger of several school schemes in the near future.

The human resource development ministry is working on a plan to integrate several flagship school schemes

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including the Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA) and teacher education. As of now, SSA and RMAS have a joint mandate to make school education universal.

On fiscal accountability part, Jaitley said the country is looking to spend Rs1 trillion to revitalize the infrastructure of higher educational institutions.

The RISE scheme will be financed via a restructured higher education financing agency (HEFA) that is functioning for the last two months as a non-banking financial company. It aims to lend low-cost funds to government higher educational institutions. Right now HEFA is looking to raise Rs20, 000 crore and Thursday's announcement hikes this number to Rs1 trillion.

While HEFA was granted a budgetary allocation of Rs250 crore in fiscal year 2018, in FY19, the lending body will be provided a budget of Rs2,750 crore. HEFA was created to infuse fiscal discipline among government higher educational institutions and allow them to raise money and pay back from their own income. In a way, Budget

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2018's plan to expand HEFA will put in place a system where higher educational institutions will be borrowing from a dedicated organization instead of depending on grant money for each of their expenses.

Of the total education outlay for FY19, school education has got a lion share of Rs50,000 crore (nearly Rs3,000 crore more than the previous revised budget) and rest Rs35,010 crore has gone to the higher education sector.

Even as the budget talked about setting up a chain of special schools for tribal students, it cut the allocation for both its marquee school chains of Kendriya Vidyalayas and Jawahar Navodaya Vidyalayas.

In the higher education space, the total budgetary allocation has been reduced for IITs—from Rs8, 244.8 crore to Rs6, 326 crore in 2018-19. There is a cut in the budget allocations to IIMs as well as the University Grants Commission.

"The budget rightly focuses on movement from traditional blackboards to digital boards which offer

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enhanced learning experience to students. We are confident that the promotion of digital platforms and use of technology will increase reach and ensure superior outcomes. The government understands the need for quality of education and setting up of higher education finance agency, integrated B.Ed programme and revitalizing infrastructure and systems' in Education by 2022 with Rs 1 lakh crore in next 4 years, steps in right direction.

### **Suggested Reading:**

- ✓ <http://www.livemint.com/Politics/hkjZw2CFY9u4xGH Dk6QftN/Union-budget-2017-Education-outlay-increases-99-to-Rs796.html>
- ✓ <https://economictimes.indiatimes.com/industry/education/budget-boost-to-research-infrastructure-technology-and-quality-of-teaching-in-educational-sector/articleshow/62739926.cms>
- ✓ <https://results.amarujala.com/career-diary/live-budget-2018-revitalising-infrastructure-and-systems-in-education-by-2022-says-fm-jaitley>