



An Analysis of Social Expenditure and Progress of General Education in Madhya Pradesh

Dr. Shalini.S

Faculty, Institute of Law, Nirma University

Ms Geetu
Chaudhary

Faculty, Bhopal School of Social Sciences, Bhopal, M.P.

ABSTRACT

The adoption of new economic policy by India after the economic crisis of 1991 requires an assessment of the reasons to validate its adoption. The crossing of two decades has given rise to new issues and a need to adopt new approach. This paper reviews the trends in social expenditure made by state government of Madhya Pradesh and analyses the allocation made and the progress made in the education area. Results show that despite a positive degree of high correlation between net district domestic product and literates, the relationship between per capita income and literates did not hold to be high though the relationship between all the selected variables stood to be significant. Net Enrolment ratio of the state has increased but the outlay on general education as percentage of social services outlay has decreased in the 12th plan.

KEYWORDS : Education, Social Expenditure, Five Year Plan, Economic Policy

I Introduction

Adoption of new economic policy by India after the economic crisis of 1991 in no big measure requires an assessment of the reasons to validate its adoption. The crossing of two decades has given rise to new issues and need to adopt new approach to deal with the old ones. The economic reforms and its multi-dimensional effect on various segments of the economy ranging from production to value system aspect has led to a lot of research in different fields. The role of government has undergone a change especially in terms of the significance it attaches to the social sector expenditures and the progress made in there.

Panchamukhi (2000) paper showed a decline in budgetary allocations of centre and state governments for various sub-sectors of social sector especially health and education. Basanta, Roy, Saluja and Venkatram (2000) research work on rural-urban disparities in context of income distribution, expenditure pattern and social sector showed wide disparities in levels of living in terms of economic and social indicators. Seema Joshi (2006) research paper highlighted social infrastructure to be as critical as physical infrastructure in the development of human resources through analysis of the expenditures incurred by central and state governments on social sector during pre and post reforms. Madhya Pradesh Human Development Report (2007) stated that since 1990 there has been a declining trend in total capital expenditure of the state government as a percentage of state's income.

The late 1990s and the subsequent period till 2000–01 showed continuous declines in aggregate capital spending, to an average of less than 2 per cent of NSDP. Roughly, half the social sector revenue expenditure has been on education, which peaked in the late 1990s and then declined. Education is one specific area where there has been a substantial improvement in the state. Eleventh Plan (2007-12) indicated that despite having a favourable growth rate of 7.7% per year in the Tenth Plan period, far too many people still lacked the basic requirements for a decent living in terms of nutrition standards, access to education and basic health, and also to other public services such as water supply and sewage.

Twelfth plan (2012-17) approach that inclusive growth shall result in lower incidence of poverty, broad-based and significant improvement in health outcomes, universal access for children to school, increased access to higher education and improved standards of education, including skill development. According to the UN global survey (2013) the top five priority for the Indians are i) A good education, ii) Better Job Opportunities, iii) Better Health care, iv) Clean water & sanitation, and v) Affordable, nutritious food.

Zico Dasgupta (2012) in his paper reflected upon states witnessing a sharp fall in their shares of development expenditure in gross domestic

product in the post-liberalisation period compared to the same in the 1980s, albeit with some recovery in recent years. Dreze and Amartya Sen (2013) in their work mention about the lack of use of public revenue generated by rapid economic growth for expansion of social and physical infrastructure in a determined and planned way resulting in continued lack of essential social services from schooling and health care to provision of safe water and drainage for a huge part of population with a sharp dissonance between India's performance measured in terms of incomes, on the one hand, and the progress of living standards, on the other, involving educational opportunities, literacy, health security and so on. Thus, the objective of the present research paper is to make an analysis of social expenditure of the Madhya Pradesh government with focus on general education, one of the major components of social sector which also affects the value system in our country.

II. Objectives

- To review the trends in the social expenditure made by the state government of Madhya Pradesh.
- To analyse the allocation made and the progress made in the education area of the state.
- To measure the degree and direction of relationship between the identified variables.

III. Hypothesis

- There was statistically no significant relationship between literacy and Net district domestic product.
- There was statistically no significant relationship between literacy and Per capita income of the districts.

IV. Research methodology

The paper is based on Secondary data collected from various publications like:

- Directorate of Economics and Statistics, Madhya Pradesh Government
- Economic and Political weekly, February 9, 2013 Vol XLVIII no 6.
- Census 2011

Tools used

Statistical tools like correlation and Students t-test was used.

V. Results and Discussion

The collected data was classified and tabulated to make a meaningful analysis and interpretation in keeping with the objectives of the study. The trend data of the social expenditure incurred by the government showed a decline in its budget estimate for the year 2012-13 as reflected from table-1. The highest in comparison to previous year expenditure has been for 2010-11 and lowest in 2003-04 showing a decline from 19.1% to -5.2%

TABLE-1

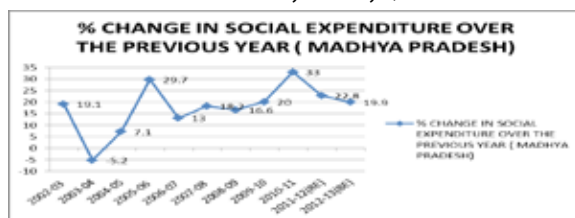
2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12 (RE)	2012-13 (BE)
7160	6790	7270	9430	10660	12600	14690	17630	23450	28800	34520
(19.1)	(-5.2)	(7.1)	(29.7)	(13.0)	(18.2)	(16.6)	(20.0)	(33.0)	(22.8)	(19.9)

TRENDS IN SOCIAL SECTOR EXPENDITURE FOR MADHYA PRADESH* (RS CRORE)

RE: Revised Estimates. BE: Budget Estimates. Figures given in brackets are percentage change over the year.

*: Includes expenditure on social services, rural development and food storage and warehousing under revenue expenditure, capital outlay and loans and advances by the state governments.

Source: Economic & Political Weekly February 9, 2013 vol XLVIII no 6



The outlays for education under 11th and 12th five year state plan for the various segment of the general education though showed an increase in the absolute amount but the percentage of allocation to general education as projected in the 11th plan of the social services was less in actual terms. The 12th five year plan showed an increase in the social services outlays as percentage of total expenditure but the outlay on general education as percentage of social services outlay showed a decline (Table 2 &3).

TABLE-2
OUTLAYS FOR STATE PLAN IN EDUCATION (RS IN LAKHS)

EDUCATION	11 TH 5 yr. plan PROJECTED OUTLAY	11 TH 5 year plan ACTUAL EXPENDITURE	12 TH 5 year plan PROJECTED OUTLAY
ELEMENTARY	551493.20	738672.82	1470800.00
SECONDARY	270203.75	332977.85	343400.00
HIGHER	27742.00	33814.92	74850.00
GENERAL	849438.95	1105465.59	1889050.00

Source: <http://mp.gov.in/>.

TABLE-3

OUTLAYS	11 TH FIVE YEAR PLAN PROJECTED OUTLAY	11 TH FIVE YEAR PLAN ACTUAL EXPENDITURE	12 TH FIVE YEAR PLAN PROJECTED OUTLAY
GENERAL EDUCATION OUTLAY AS % OF SOCIAL SERVICES OUTLAY	42.04	37.79	23.66
SOCIAL SERVICES OUTLAY AS % OF TOTAL EXPENDITURE	28.73	35.44	39.55

Calculated from data taken from: <http://mp.gov.in/>.

The state has seen a very high increase in literacy levels from 45 per cent in 1991 to 64 per cent in 2001 and to 70.6 per cent in 2011 with the gap in literacy also narrowing down from 29.2% in 1991 to 25.8% in 2001 and further to 20.5% in 2011. There has been a phenome-

nal increase in primary schools, and within two years between 1998 and 2000, nearly 30000 access-less habitations were provided with a school. The study of relationship between the chosen variables taking Literates as dependent variable and Net district domestic product and Per capita income as independent variables showed the following results:

A high degree of positive relationship was found between net district domestic product and literates

A moderate degree of positive relationship was found between district per capita income and literates

The result indicated that despite a positive degree of very high correlation between net district domestic product and literates, the relationship between the per capita income and literates did not hold to be high though the relationship between all the selected variables stood to be significant at 1% level of significance.

TABLE-4
DESCRIPTIVE STATISTICS OF THE IDENTIFIED VARIABLES

Variable	Mean	Std. Deviation
Literates (in numbers)	925755.9111	421171.49975
Net district domestic product (in Lakhs)	317438.8444	260329.57166
Per capita income (in Rs)	19657.8444	7388.83704

TABLE-5
CORRELATION MATRIX

Variable	Literates (Numbers)	Net district domestic product (in Lakhs)	District wise Per capita income (Rs)
Literates (in Numbers)	1.000	.808**	.658**
Net district domestic product (in Lakhs)	.808**	1.000	.905**
Per capita income (in Rs)	.658**	.905**	1.000

** Correlation is significant at the 0.01 level (2-tailed).

Hypothesis Testing

1.Null hypothesis: There was statistically no significant relationship between literacy and Net district domestic product

Alternative hypothesis: There was statistically a significant relationship between literacy and Net district domestic product

The set hypothesis tested by the use of t-test showed a significant difference between literacy and Net district domestic product with a calculated t value of 5.735 being more than the table value of 1.96 at 5% level of significance.

2.Null hypothesis: There was statistically no significant relationship between the literacy and Per capita income of the districts.

Alternative hypothesis: There was statistically a significant relationship between the literacy and Per capita income of the districts.

The set hypothesis tested by the use of t-test showed a significant difference between literacy and per capita income of the districts with a calculated t value of 1.972 being more than the table value of 1.96 at 5% level of significance but at 1% level of significance it stood to be statistically not significant.

TABLE-6

	Variable	Unstandardized Coefficients	t-value
Dependent variable	Literates (in Numbers)	775419.307	5.314
Independent variable	Net district domestic product(in Lakhs)	1.897	5.735
Independent variable	Per capita income (in Rs)	-22.982	-1.972

IV. Conclusion

Constitution of India envisages provision of free and compulsory elementary education to all children until they complete the age of 14 years. By providing, Primary school facility within a distance of one km. radius of each habitation and Upper Primary schools within a reach of 3 Kms, the state has universalized access to primary and upper primary education. Percentage of girls enrolment in the total enrolment has been increasing consistently and had risen from 48.3% to 49.20% during 2008-09 to 2010-11 in primary classes (class i-v) and in case of upper primary classes (vi-viii) girls enrolment has increased from 46.49% to 49.43% during the same period and hence increasing gender parity index (enrolment). The number of out of school children in 2006-07 was 2.97 lakh which have declined progressively and reduced to merely 57 thousand in 2011-12.

From 2006-07 to 2011-12, the number of out of school children declined at the rate of 27.62% per annum. Increasing trend in Net Enrolment ratio (NER) in primary classes, during last five years, shows that almost all the eligible children are attending school and studying in classes as per their age. Net Enrolment Ratio (NER) in primary classes has increased from 95.9% in 2006-07 to 99.49% in 2010-11. Similar trend has been observed in Net Enrolment ratio (NER) in middle classes, which has increased to 99.5 % in 2010-11 from 88.2% in 2006-07. Thus, the government role in promoting and raising the standard of education in the state needs more attention to it by increasing the allocations to the sector as rise in per capita income of the people doesn't necessarily convert to increase in literates. The government expenditure at a large scale is required to be made in the education area.

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