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How Free is 'Free' Primary Education in India

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Abstract

Based on the valuable data base generated by the National Sample Survey Organisation on participation in, and household expenditures on education, the myth of free primary education in India has been exploded in this paper. It has been shown here that households spend large sums of money on acquiring primary education. More specifically it has been found that students pay tuition fee, examination fee and other fees even in government primary schools in India. The financial and material incentives provided by the government are found to be available to a small fraction of students. It has also been found that there are large scale inter-state and inter-group (by gender and by region -- rural and urban) variations with respect to several aspects relating to public provision of incentives and also to the levels of household expenditure on education in India. As the evidence provided by NSSO is in not conformity with the official claims of the government and, to some extent, with general impressions on the provision of free primary education in the country, this might warrant a reverification of the original data of the NSSO, referring to at least such aspects as the amount of tuition fee in primary education.

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Everywhere else throughout the world the State now accepts it as a sacred obligation resting on it to provide for the free and compulsory education of its children.

Gopal Krishna Gokhale (1908).[1]

no cost should be counted too high if it ensures the widest diffusion of literacy and education ...

Bèteille (1983, p. 114).

According to the *Constitution of India* and the official policies, elementary education is provided in India free to every one. But students and families are found incurring huge expenditures on acquiring it. This paper presents a brief analysis of a few important aspects relating to primary education in India, primarily with the help of the rich and voluminous data generated by the National Sample Survey Organisation (NSSO) in its 42nd round on 'Participation in Education' in 1986-87. The NSSO has produced a massive body of very valuable data on several aspects relating to education in India

1 Quoted by Desai (1953, p. 72).

based on about 78,000 households. The data base permits estimation of a large number of educational characteristics of the population on India as a whole, and on 16 major states in detail. While certain issues are receiving the attention of the researchers, particularly referring to enrolment levels and the levels of education status of the population (e.g., Minhas, 1992; Visaria et al., 1993; Majumdar and Vaidyanathan, 1994; Upendranadh, 1994; Reddy, 1995), aspects relating to household expenditures have not attracted much attention. For the first time now we could have a very detailed data base on household expenditure on education; but this has not been well exploited so far. Though there are several important issues that can be studied with the help of the NSSO data, concentrating on expenditure and related aspects in the present paper an analysis of an important question is attempted: how free is free primary education in India? It is only a preliminary analysis that is attempted here documenting the evidence on several phenomena, and many issues raised here need further analysis and interpretation.

Section 1 highlights the role of primary education in development and stresses the need for providing it free to all. Section 2 briefly describes the size and nature of the problem of universal elementary education in India to be solved. The conflicting perceptions and practices with regard to *free* primary education are described in Section 3. Section 4 examines a variety of aspects relating to household expenditure on education, based on now available empirical evidence. The paper ends with a short summary.

1 Primary Education and Development

The *Post-War Plan of Educational Development* (CABE, 1944) recommended a speedy introduction of a system of *universal*, *compulsory* and *free* education for all boys and girls between the *ages 6 and 14*. Accordingly, the Directive Principle of the Constitution of independent India (*Article 45*) stated in 1950:

> the State shall endeavor to provide, within a period of ten years from the commencement of this Constitution, for *free* and compulsory education for all children until they complete the age of fourteen years. [emphasis added].

The *National Policy on Education 1968* has also emphatically stated that "strenuous efforts should be made for the early fulfillment of the Directive Principle under Article 45 of the Constitution seeking to provide free and compulsory education for all children upto the age of 14"; the *National Policy on Education 1986* also reiterated the resolve that "by 1995, all children will be provided free and compulsory education upto 14 years of age" (Government of India, 1986a, p. 12).

By resolving and repeatedly reiterating the resolve to provide elementary education 'free' to all, the Constitution and the Government of India have implicitly recognised the 'public good' nature of elementary education. Elementary education is, in fact, recognised by many as a 'pure public good', as the benefits from elementary education are immense; they are not confined to the individuals who go to the school; and the rest of the society also benefit considerably. In fact, the neighbourhood or externality benefits of elementary education are believed to outweigh the direct private benefits. Besides, it is a 'social merit want'. In such cases, public financing out of general tax revenues is regarded to be superior to any method of financing, according to which the recipients, viz., the students in primary education, pay even partially for the same.

The Constitutional Directive received further boost with increasing research evidence that establishes that the contribution of primary education to development -- in all socioeconomic development spheres -- is very significant. Education, particularly primary education, is regarded as a very valuable unique investment, serving as a major effective instrument of various facets of development. First, it has its own intrinsic value, enhancing the human capabilities to enjoy life, inculcating better habits and

approaches to life, and thereby enhancing the quality of life. For the same reason, primary education is regarded in many countries, as in India, as a fundamental right, and literacy and enrolment ratios in school education have become an integral part of measurement of quality of life, well-being of the people (Dasgupta, 1990) and human development (UNDP, 1991). Secondly, as a valuable component of human capital, it is an important instrument of economic development at personal level, as it enhances the productivity of the labour force in the labour market, and thereby increases the earnings. Labour force with primary education more than double their earnings compared to illiterates, and compared to mere literacy, primary education enhances individual earnings by 20 per cent (Tilak, 1987). The economic returns to primary education are estimated to be not only positive and high, but also that they are higher than alternative rates of return on the one hand, and higher than returns to secondary and higher education on the other (Table 1). Not only monetary returns, the additional effects of primary education on labour productivity are found to be very significant. It changes the habits of the people, makes people ready for change and to adopt new methods of farm practices and production (Raza and Ramachandran, 1990). As Jamison and Lau (1982) concluded, four years of primary education results in 7.4-8.7 per cent increase in agricultural productivity. On national economic front, primary education is found to contribute to miracles in transforming nations from poor undeveloped societies to rapidly developing or industrializing tigers (World Bank, 1993).

The contribution of primary education is not restricted to economic returns only. Education is also found to contribute significantly towards improvement of health (Cochrane et al., 1980). The effects are more significant in case of education of women. Further, primary education contributes to reduction in fertility rates, indirectly by increasing the rates of participation of women in labour force and increasing the minimum age at marriage and directly through adoption of better approaches to family planning and

Table 1: **Rates of Return to Elementary Education in India** (Marginal) (per cent)

Reference Year	Researcher (Source)	Reference Region	Education Level	Social	Private
1960-61	Nalla Gounden (1965)	Urban-India	Primary	17.0	23.0
			Middle	11.8	13.0
1960-61	Selowsky (1967)	Urban-India	Primary	23.5	-
			Middle	17.7	-
1960-61	Blaug et al (1969)	Urban-India	Primary	20.2	24.7
			Middle	17.4	20.0
1964-65	Pandit (1972)	All-India	Elementary	14.0	17.3
1977-78	Tilak (1987)	Andhra Pradesh	Primary	29.3	33.4
			Middle	19.8	25.0

Note: Rates of return are marginal rates;
Primary: Primary over Literacy
Middle: Middle over Primary

Source: Tilak (1987).

development (e.g., see Nair, 1981), thereby reducing population growth. Primary education is also found to improve significantly the rates of child survival and life expectancy.

Primary education also helps in socialisation of the young children and in their effective functioning in the modern societies (Inkeles and Smith, 1974). It contributes significantly to transformation of traditional societies into modern ones. It also helps in formation of national culture. It helps people in their effective participation in socio political and economic spheres of development of the societies. In short, education is a major instrument of social change. As the Education Commission (1966, p. 8) noted, "if this 'change on a grand scale' is to be achieved without violent revolution (and even for that it would be necessary), there is one instrument, and one instrument only, that can be used: EDUCATION."

Effective elementary education also contributes to evening out some of the ills of the society, such as child labour and exploitation of children, and even phenomena like child marriage and correspondingly early teen age pregnancies. Elementary education is also considered rightly as a basic need fulfillment of which helps in fulfilling other basic needs. Effective provision of elementary education might reduce the level of public expenditure required on other basic needs. It might even obviate the need for spending on certain other basic needs (Tilak, 1989b; Panchamukhi et al., 1995; Minhas, 1992). Lastly, it improves not only efficiency of the system through increased labour productivity, and personal and social development, but it is also found to be an effective instrument of reduction of poverty, upward social and occupational mobility, empowerment of people, redistribution of resources and thereby of improvement of equity in the system, besides itself reducing educational inequalities. As Carnoy (1992, p. 35) argued, education is a more effective instrument than several direct measures of income redistribution. In fact, elementary education is one of the few sectors where equity-

efficiency trade-offs do not seem to be existing. It is both an equitable and at the same time an efficient investment for development.

Thus the significant effects of primary education on reduction in poverty and on improvement in income distribution, improvement in health and nutritional status of the population, its negative relationship with fertility and population growth, and positive association with adoption of family planning methods and its positive relationship with general social, political and economic development and overall quality of life are well recognised (see Lockheed et al., 1991; Tilak, 1989a, 1994a; Carnoy, 1992; Psacharopoulos and Woodhall, 1985; Drèze and Sen, 1995).

Universal elementary education is, thus, one of the greatest values enshrined in the Constitution of India and in several declarations of the Unesco and other United Nations organisations. In short, universal access to education can reduce class and social status barriers to individual advancement; it can help to equalise earned incomes by educating people and leading to mobility of people from out of historically low paid jobs to historically higher paid positions; it can help people to be better decision makers in many aspects of their lives (e.g., health and consumer expenditure), and thus help to equalise individual maximisation of life chances; it can lead to greater participation in the political process, and thus to wider distribution of power; it can lead to greater tolerance for and consideration of one's fellow persons, and thus to more voluntary concern for their welfare; and it can lead to greater emphasis on the rights to and the availability of free choice for all individuals (Rawls, 1971, p. 83).

All these factors stress the need for provision of basic education free to all. In short, that (a) externalities of basic education are immense, (b) fees would restrict the access of the poor and thus would form an impediment in providing universal basic education, (c) there exists imperfections in capital markets and with regard to information on the benefits of education, and accordingly (d) private markets fail to deliver it, rather

they strengthen existing inequalities in the system -- all make it imperative for the state to finance basic education out of general tax revenues and provide it free to all. Hence it should be applauded that Government of India, like several other developed and developing countries, had decided to fully finance elementary education, and provide it free to all. Elementary education is given a high priority in national development strategies and it is regarded as an important component of minimum needs programme in the Five Year Plans.

2 The Unfinished Task

Though there has been spectacular growth in elementary education in India during the post-independence period, the goal of universalisation of elementary education remains as the most conspicuous failure of the Indian education system. Even though the Constitutional Directive could not be fulfilled, every commission and committee on education during the post-independence period reiterated the importance of fulfilling it, and every Five Year Plan has been an attempt at reaching this goal. There has been an educational explosion at almost all levels of education (see Tilak, 1995b, c). Presently there are, according to official statistics, above 100 million children enrolled in primary education, and another nearly 40 million in upper primary (middle) level (MHRD, 1994), both of which together comprise the elementary education, which is to be universalised, and is to be provided free to all, as per the Constitutional Directive.[2] But these gigantic absolute numbers and spectacular growth relative to the position at the time of

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2 In view of the poor achievement of fulfilling the Constitutional Directive, the Planning Commission (1956) in the Second Five Year Plan desired that the upper primary level of compulsory education cycle might be emphasized after the targets of primary education were achieved. Since then, unfortunately educational planners in India have been grappling with primary education only.

independence are not adequate to fulfil the Constitutional Directive.

Though according to official figures on *gross* enrolment ratios (unadjusted for enrolment of over and under aged children), all children in the age-group of 6-11, and nearly three-fifths of all children in the age-group of 11-14 in India are enrolled in primary and upper primary education (Table 2), it has been made clear for a long time that the actual (*net*) enrolment ratios (adjusted for over and under age school children) would be very much less than the official claims. Generally it was found that official enrolment ratios are about 25 per cent higher than actual enrollments in primary education as reported by, say Census and household surveys (see Kurrien, 1982; Tilak and Varghese, 1983; Mehta, 1994). According to NSSO estimates, a much smaller proportion of children attend schools (Table 3). Among the children of the age-group 5-9 the enrolment ratio, according to the 43rd round of the NSSO (1987-88), was 47 per cent in rural areas and 71 per cent in urban India; and the corresponding ratios were higher -- 55 per cent and 76 per cent respectively among the children of the age-group 10-14. It is important to underline that the enrolment ratios are higher in the 10-14 age-group, while according to official estimates, the enrolment ratios in the upper primary level of education are lower than in primary education.[3]

Compared to the official figures of about 115 million children enrolled in elementary education (87.1 at primary level and 27.5 million at upper primary level) in 1986-87 (MHRD [a], 1986-87), according to the NSSO (42nd round) estimates, only 68 million children were in primary level, and another 27 million in upper primary level --

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3 It is necessary to note that (a) 'attendance' and 'enrolment ratio' are synonymously used by NSSO; and (b) the difference in the reference age-group between official and NSSO estimates do not explain any considerable part of the difference in enrolment ratios.

Table 2: **Gross Enrolment Ratios in Elementary Education in India** (per cent)

	1950-51	1960-61	1970-71	1980-81	1990-91	1993-94
Classes I-V						
Boys	60.6	82.6	95.5	95.8	114.0	115.3
Girls	24.8	41.4	60.5	64.1	85.5	92.9
Total	42.6	62.4	78.6	80.5	100.1	104.5
Classes VI-VIII						
Boys	20.6	33.2	46.5	54.3	76.6	79.3
Girls	4.6	11.3	20.8	28.6	47.0	55.2
Total	12.7	22.5	33.4	41.9	62.1	67.7
Classes I-VIII						
Boys	46.4	65.2	75.5	82.0	100.0	102.3
Girls	17.7	30.9	44.4	52.1	70.8	79.3
Total	32.1	48.7	61.9	67.5	86.0	91.2

Source: MHRD (1994).

Table 3: **Percentage of Children Attending School, by Gender and by States in India, 1987-88**

State	Age-Group: 5-9			Age-Group: 10-14		
	Boys	Girls	Total	Boys	Girls	Total
Rural Areas						
Andhra Pradesh	63.3	45.2	54.3	57.0	30.9	44.5
Assam	48.6	47.8	48.2	76.1	70.9	73.7
Bihar	33.0	19.7	26.9	54.6	28.7	43.3
Gujarat	63.1	52.1	58.0	76.5	52.2	65.3
Haryana	60.2	53.8	57.4	81.8	51.6	68.6
Himachal Pradesh	73.6	63.3	68.5	92.5	73.0	83.0
Jammu & Kashmir	53.4	40.3	46.9	77.5	45.8	62.1
Karnataka	57.0	50.6	53.9	65.0	45.5	55.2
Kerala	86.9	82.8	84.8	93.3	91.2	92.3
Madhya Pradesh	43.9	26.3	35.4	61.6	29.9	47.7
Maharashtra	64.0	54.4	59.4	72.1	59.3	66.4
Orissa	55.4	44.9	50.3	69.6	19.2	47.3
Punjab	66.3	59.1	63.1	72.1	59.3	66.4
Rajasthan	47.8	25.5	37.5	69.6	19.2	47.3
Tamil Nadu	84.9	77.7	81.4	70.7	48.7	60.0
Uttar Pradesh	45.4	28.2	37.8	63.8	30.7	49.5
West Bengal	44.8	40.9	42.9	64.3	52.8	58.7
All India	52.5	40.4	46.8	66.1	41.9	55.0
Urban Areas						
Andhra Pradesh	79.7	72.8	76.4	79.3	66.2	72.7
Assam	72.6	66.1	69.8	90.5	84.3	87.8
Bihar	53.7	45.8	50.2	75.0	64.0	71.0
Gujarat	72.0	74.9	73.3	82.1	76.1	79.3
Haryana	81.8	71.0	77.1	85.1	78.7	82.3
Himachal Pradesh	90.3	82.4	87.0	93.3	95.1	94.1
Jammu & Kashmir	73.5	67.0	70.2	80.7	74.6	77.9
Karnataka	70.2	69.5	69.9	78.0	73.0	75.6
Kerala	93.4	92.5	90.6	93.4	94.3	93.8
Madhya Pradesh	71.3	64.5	68.0	88.3	76.8	83.0
Maharashtra	79.7	76.6	78.1	90.0	83.5	86.9
Orissa	75.8	66.6	71.3	81.8	71.2	76.9
Punjab	83.3	80.7	82.0	83.1	81.3	82.2
Rajasthan	68.3	54.7	61.9	83.2	55.2	69.8
Tamil Nadu	90.4	86.0	88.3	78.6	69.7	74.1
Uttar Pradesh	58.9	49.4	54.5	71.3	60.8	66.4
West Bengal	64.4	61.6	63.0	79.6	74.5	77.3
All India	73.0	67.9	70.5	79.9	71.9	76.1

Source: Visaria et al (1993, pp. 31-34), based on NSSO 43rd Round.

in all 95 million in 1986-87 (Table 4).[4] Thus the task enshrined in the Constitution remains to be unfulfilled even after four and a half decades of planning in a half a century old independent India.

Elementary education is expected to be 'compulsory' and 'free' for all. However, elementary or even primary education is not made compulsory by legislation in all states, though a majority of states have a legislation. In 1992-93 as many as 12 states/union territories did not have any legislation requiring primary education to be made compulsory.[5] Of the remaining states, in seven states/union territories the legislation covers the age-group 5(6)-10(11) only, and only in the remaining 13 states/union territories, it is extended up to 14 years of age (Table 5). There are some major states in all these categories.[6] It may be recalled that the CABE (1944) had long ago clearly

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4 The difference could be due to (a) over and under-age children being in the official statistics, and which are excluded or adjusted for in census and household surveys, (b) fictitious enrollments reported in official statistics, and (c) 'children enrolled but not attending schools' are treated by NSSO as non-enrolled.

5 It may be noted that compulsory education rules were passed first in many Western European countries in as early as 1820s, while by the end of the century, a good number of countries in most world regions had passed the same. See Boli and Ramirez (1992). In India in some provinces/princely states compulsory education was introduced in the beginning of the 20th century. For a detailed historical account of how and when the act was passed in several provinces before independence, see Desai (1953). See Nayar (1989, p. 65).

6 A comparison of the source of information for two recent years (MHRD, 1991 and 1993a) suggests either that the compilation of information by the MHRD is erroneous, or that a few changes took place between 1990-91 and 1992-93. For example, the comparison suggests that Rajasthan has passed the compulsory education act during these two years; and in Kerala it is no more in force (or there is no more need for it to be enforced), and in Jammu and Kashmir the act was withdrawn.

Table 4: **Number of students in Education in India, 1986-87** (in millions)

Level of Education	Rural	Urban	Total	Total*
Primary (Classes: I-V)	50.03	18.00	68.03	87.13
Upper Primary (Classes: VI-VIII)	18.62	8.54	27.16	27.49
Secondary (Classes: IX-XII)	11.74	7.19	18.93	16.65
Higher (Post-Secondary)	1.78	3.09	4.87	..
Total	82.17	36.82	118.99	..

Note: .. not available.

Source: * MHRD [a] 1986-87; Others: NSSO (1991).

Table 5: **Compulsory Education in India, 1992-93**

State	Age-Group	State	Age-Group
Andhra Pradesh	6-11	Delhi	5-10
Assam	6-14	Lakshadweep	5-14
Bihar	6-14	Pondicherry	6-14
Gujarat	6-14		
Haryana	6-11	States where Compulsion	
Karnataka	6-14	is not in Force	
Kerala	5-14		
Madhya Pradesh	6-11	Himachal Pradesh	
Maharashtra	6-14	Jammu and Kashmir	
Punjab	6-11	Kerala	
Rajasthan	6-11	Manipur	
Tamil Nadu	6-14	Meghalaya	
Uttar Pradesh	6-14	Nagaland	
West Bengal	6-14	Orissa	
		Sikkim	
Andaman & Nicobar Isles	6-11	Tripura	
Arunachal Pradesh	-14	Dadra & Nagar Haveli	
Chandigarh	6-14	Goa	
Daman and Diu	-14	Mizoram	

Source: MHRD (1993a).

recommended that the age-range for compulsion should be 6-14 years. Though from the contemporary data the effectiveness of such a legislation cannot be clearly established, it may have to be noted that "if the history of elementary education throughout the world establishes one fact more clearly than another," as Gopal Krishna Gokhale (1967, p. 95) argued, "it is this, that without a resort to compulsion no State can ensure a general diffusion of education among its people."[7] Historically some of the states that adopted such a legislation (e.g., the princely states of Travancore in present Kerala and Baroda in present Gujarat) have progressed fast in universalising elementary education, though compulsory education acts were passed in several other states as well, viz., Madhya Bharat, Bihar, United Provinces, etc.

According to the NSSO (1991), as many as 73 million children (of the age-group 6-14) were not currently enrolled in schools. Similarly about 65 per cent of the children were *never enrolled* in schools (Table 6), i.e., 42 per cent of the children in rural areas and 17.7 per cent of children in urban areas in the age-group 6-14 were found never enrolled in schools (Table 7). The corresponding proportion was as high as 62 per cent in rural areas in Bihar; and it was insignificant in Kerala (2.3 per cent in rural areas and 1.1 per cent in urban areas). Child labour has been identified as one of the most important factors associated with the unaccomplishment of universal elementary education (e.g., Weiner, 1991). Official statistics themselves reveal that nearly half the children who enroll in Grade I dropout before reaching grade V, and two thirds before reaching grade VIII (MHRD, 1993b, p. 22), though there seems to be some improvement over the

7 For Gopal Krishna Gokhale's powerful arguments in favour of free and compulsory primary education in India, see Gokhale (1967) and Desai (1953).

Table 6: Number of Children Currently Not Enrolled and Never Enrolled in Schools, 1986-87 (millions)

	Age Group 6-11			Age Group 12-14		
	Boys	Girls	All	Boys	Girls	All
Currently Not Enrolled						
Rural	18.4	24.6	43.0	8.8	12.6	21.4
Urban	2.4	2.8	5.2	1.6	2.0	3.6
Total	20.8	27.4	48.2	10.4	14.6	25.0
Never Enrolled						
Rural	16.4	22.7	39.1	5.9	9.4	15.3
Urban	2.0	2.5	4.5	0.7	1.1	1.8
Total	18.4	25.2	43.6	6.6	10.5	17.1

Source: NSSO (1991: Tables 18 and 22, pp. S63-64; S112-113; S70-71; S120-121).

Table 7: **Percentage of Never Enrolled Children (Age Group: 6-14) by Gender and by States (1986-87)**

State	Boys	Girls	Total	Boys	Girls	Total
	Rural Areas			Urban Areas		
Andhra Pradesh	29.0	50.9	39.6	14.9	17.9	16.2
Assam	30.0	40.3	34.7	11.4	17.7	14.2
Bihar	52.9	74.7	62.4	30.9	46.7	38.4
Gujarat	23.3	45.8	30.3	10.4	17.3	13.7
Haryana	14.7	38.4	25.2	3.6	15.0	10.2
Jammu & Kashmir	26.1	53.5	39.4	19.3	28.4	23.7
Karnataka	25.5	44.5	34.6	12.2	16.5	14.3
Kerala	2.0	2.7	2.3	0.9	1.3	1.1
Madhya Pradesh	36.7	68.3	52.6	9.5	22.1	15.4
Maharashtra	16.6	30.2	23.1	7.6	12.7	9.9
Orissa	38.8	56.3	47.3	19.1	29.1	13.9
Punjab	24.5	34.1	29.2	9.0	10.1	9.5
Rajasthan	35.0	77.2	54.0	19.9	35.9	27.3
Tamil Nadu	7.8	19.8	13.8	2.7	7.4	5.0
Uttar Pradesh	36.8	69.9	51.8	26.5	40.3	32.7
West Bengal	38.7	53.2	45.5	15.2	21.2	18.0
All India	32.5	53.5	42.3	14.2	21.6	17.7

Note: .. not available

Source: Visaria et al (1993, p. 53) based on NSSO 42nd Round.

years, particularly in the recent period, as shown in Table 8.[8] About a quarter of the children in the age-group 6-11 and as many as about 70 per cent of the children in the age-group 12-14 not currently enrolled in schools were economically active, including actively participating in domestic chores (Table 9).[9] While it may not be exactly correct to argue based on Table 9 that economic factors are important in explaining non-enrollment, as the table refers to activity status of the non-enrolled children, not to causes of non-enrollment, such an interpretation might not be altogether wrong. The Education Commission (1966, p. 269) found that 65 per cent of the dropouts were due to poverty. NCAER (1994) also found that economic factors were more important than any other factor in explaining non-enrollment and dropouts in elementary education in several states in India. Economic factors and lack of interest in education were found to be the two major reasons for non-enrolment of children in schools in the 35th round of NSSO (1980-81) (Visaria et al., 1993). According to the NSSO (1986-87) survey, while about 30 per cent of the dropouts were due to lack of interest in education, more than fifty per cent of the dropouts among boys and more than 40 per cent among girls were due to economic

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8 However, the rates of dropout, according to NSSO reports, are much lower. For example, according to the 35th Round of NSSO, the rate of dropout in primary education (age group: 6-11) was only seven per cent in rural and 4.5 per cent in urban Gujarat. And in elementary education (age-group: 6-14), the respective figures are 4.5 per cent and 7.8 per cent in 1980-81 (Visaria et al., 1993, p. 46). But according to MHRD ([b], 1989-90), the rates of dropout in Gujarat were 41.7 per cent in primary and 68.5 per cent in elementary education in 1985-86. The discrepancy is partly because NSSO reports a large number of never enrolled children, while in contrast, according to MHRD statistics, there is nearly 100 per cent enrolment. There are other factors that explain the differences. See Chattopadhyay (1995) for details.

9 The status of a large majority of the children not enrolled is not known. They are reported as 'others'; but no details are available on what types of activity constitutes the 'others'.

Table 8: **Dropout Rates in Elementary Education in India** (per cent)

	1960-61	1970-71	1980-81	1990-91	1991-92	1993-94
Classes I-V						
Boys	61.7	64.5	56.2	42.0	41.0	35.1
Girls	70.9	70.9	62.2	47.6	45.2	38.6
Total	64.9	67.0	58.7	44.3	42.8	36.3
Classes I-VIII						
Boys	75.0	74.6	68.0	60.6	54.3	50.0
Girls	85.0	83.4	79.4	67.6	62.0	56.8
Total	78.3	77.9	72.7	63.4	57.5	52.8

Source: MHRD (1994) and MHRD [b] 1994-95.

Table 9: **Percentage of Children Currently Not Enrolled in Schools, by Their Activity Status in India, 1986-87**

Activity Status of the Currently Not Enrolled	Age Group 6-11			Age Group 12-14		
	Boys	Girls	All	Boys	Girls	All
Rural						
Economically Active*	14.3	7.5	10.4	52.7	30.1	35.8
Domestic Chores	8.1	23.4	16.8	9.7	53.2	35.4
Seeking Work	0.9	0.5	0.6	4.8	0.8	2.5
Attended School	0.6	1.1	0.9	1.0	1.2	1.1
Rentier/Pensioner	0.2	..	0.2	0.5	0.0	0.2
Others+	75.9	67.6	71.2	31.4	20.7	25.1
Total	100.0	100.1	100.0	100.0	106.0?	100.0
Urban						
Economically Active*	13.4	5.0	8.9	45.6	13.1	27.4
Domestic Chores	5.7	23.3	15.1	8.1	62.4	38.4
Seeking Work	1.8	1.4	1.6	9.5	1.3	4.9
Attended School	0.9	1.3	1.1	1.0	1.8	1.5
Rentier/Pensioner	0.1	0.2	0.2	0.1	..	0.1
Others+	78.0	68.8	73.1	35.8	21.4	27.7
Total	100.0	100.0	100.0	100.0	100.0	100.0

Note: * includes code numbers (1 to 4): self employed in agriculture, self employed in non-agriculture, wage/ salaried, and casual wage labourers.
+ No details are available from NSSO.
? Error in the given source itself.

Source: NSSO (1991; Table 18; pp. S63-64; S112-13).

Table 10: **Percentage of Children Never Enrolled (Aged 6 and above) by Reason for Non-Enrolment in Schools in India, 1986-87**

Reasons for Non Enrolment	Boys	Girls	All
Rural			
Economic Factors*	50.0	32.6	39.6
Domestic Chores	1.3	9.9	6.4
No Schooling Facilities	9.9	10.5	10.3
Not interested	25.2	32.3	29.5
Urban			
Economic Factors*	51.9	29.4	37.4
Domestic Chores	0.9	10.7	7.2
No Schooling Facilities	5.9	9.0	7.9
Not interested	23.5	32.9	29.6

Note: * includes code numbers (4 and 5): household economic activities, and economic reasons.
Other reasons ('too young to go to schools,' 'waiting for admission' and 'others' are not included here.

Source: NSSO (1991; Table 21.2; pp. S70 and S119).

Table 11: **Percentage Distribution of Students in Primary Education in India, by Household Expenditure Groups, 1986-87**

	Rural			Urban		
	Boys	Girls	Total	Boys	Girls	Total
Government Schools						
0 - 10	12.39	10.34	11.62	17.17	18.26	17.65
10 - 20	11.62	9.77	10.93	14.87	13.34	14.17
20 - 40	23.89	23.21	23.63	33.55	32.08	32.90
40 - 60	21.60	23.29	22.24	18.70	20.12	19.34
60 - 80	18.75	19.75	19.12	11.32	12.50	11.85
80 - 90	7.86	9.12	8.33	2.38	2.27	2.33
90 - 100	3.90	4.52	4.13	2.00	1.43	1.75
All	100.01	100.00	100.00	99.99	100.00	99.99
Private Schools						
0 - 10	11.90	8.87	10.72	9.88	8.40	9.23
10 - 20	9.39	11.61	10.25	9.16	9.25	9.19
20 - 40	19.95	19.19	19.64	23.69	20.93	22.48
40 - 60	20.94	21.48	21.15	22.38	21.41	21.96
60 - 80	20.90	19.33	20.31	19.44	24.65	21.71
80 - 90	8.78	8.95	8.84	8.77	8.95	8.84
90 - 100	8.14	10.57	9.09	6.68	6.41	6.59
All	100.00	100.00	100.00	100.00	100.00	100.00

Note: Distribution by age-group is not available.

Source: NSSO (1991, Table 6.1, pp.S33-S34; and S88-S89)

factors and domestic chores (Table 10). All this means that opportunity costs of primary and upper primary education are indeed high. In general high private costs of education and high rates of non-enrollment and dropout might be positively and significantly related.[10]

Given all this, it is important that to achieve universal elementary education, suitable policy measures are introduced aiming at tackling economic factors. Thus it becomes essential that specifically the household costs of education are reduced, and education is provided really free in the true spirit of the Constitution, and is made accessible to all. This is further justified from the point of view of income distribution, social justice and equity, as primary education benefits the poor disproportionately more than the rich (Table 11) (see also Bowles, 1971; Bhagwati, 1973; Tilak, 1986).

3 The Myth of 'Free' Primary Education

The term "free" in free education is subject to different kinds of treatment by different policy makers depending upon socioeconomic circumstances. At the outset, it is interesting to note that the term 'free' began disappearing in national and international policy statements. While the earlier national and international declarations and conventions of rights of children [e.g., United Nations Declaration of Human Rights (1948), the Rights of the Children (International Year of the Child, 1979), and the Convention of the Rights of Child (United Nations, 1989), among many UN and Unesco resolutions] assure *free* and compulsory education for all, the term 'free' is not seen in recent declarations [e.g., World Declaration on Education for All (WCEFA, 1990), the

10 NCAER (1994) did find that in some states like Assam and West Bengal high private cost of education moved along with high rates of non-enrollment and dropout in elementary education.

Delhi Declaration (EFA Summit, 1993) and the Declaration of the UN World Summit for Social Development (1995)].

The term 'free' is also interpreted in different ways, depending upon circumstances. Ideally, free education implies one hundred per cent financing of primary education by the State, with little reliance on financial and material support from non-governmental sources. Accordingly, free education, should mean, as in some countries, not only fee-free education, but it should also include free provision of books and other learning material, uniforms, meals, health care, hotels, transport, etc. In some countries free education means either all of them, or at least some of them along with fee-free education. But in many countries, free education means only fee-free education: and in some other countries, free education means only tuition fee-free education, i.e., various other kinds of fees are charged. Thus there seems to be existing somewhat conflicting perceptions and practices with regard to "free" education (see Mbamba, 1985).

There are also some who do not clearly favour free primary education. For example, organisations like the World Bank favoured in the earlier years introduction of fees in primary education; but simultaneously opposed and supported the same later. For example, the World Bank (1986) observed that "in general, increased private financing at the primary level is not recommended since it might interfere with universal coverage -- a socially desirable goal" (p. 23); but argued that "it could increase efficiency within schools" (p. 23), and "improve the future distribution of income" (p. 24); and had approved fee in primary education in several countries. Though the World Bank stopped explicitly insisting on introduction of fees in primary schools, it seems to favour the same. For example, the World Bank (1995, p. 93) stated: "Even at primary level, the charging of fees need not be incompatible with the principle of free primary education

Governments also adopted similar conflicting, inconsistent and frequently changing

stands on free primary education. The unclear policies of the governments resulted in not only introduction-abolition-reintroduction of fees in primary education in many countries (see Bray, 1987, 1988), but also in mushrooming of high fee charging private schools mostly in (but not necessarily confined to) urban areas on the one hand, and introduction of various kinds of small levels of tuition and non-tuition fees in state-supported private schools as well as public schools on the other.

In India also the perception on free education seems to be particularly confusing in practice, though not in conceptual clarity. The empirical evidence analyzed later in this paper testifies to this. While the Constitution has made universalisation of elementary education a *State* responsibility, the *National Policy on Education 1986* states that "the Government *and the community* in general will find funds for such programmes as: the universalisation of elementary education; liquidation of illiteracy; .. (Government of India, 1986a, p. 28; emphasis added). Accordingly, in recent years in some states it was made practically mandatory on the part of the villagers to finance partly or fully construction of primary school buildings, salaries of teachers, etc., particularly when new schools are to be opened in rural, tribal and remote areas, where weaker sections of the society live.

As Foster (1982, p. 5) noted, few educational issues can be discussed in post-colonial societies like India that were not foreshadowed in someway in the colonial past. The issue of fees in schools is no exception. Introduction of fee, "the most regressive form of taxation whose incidence falls more heavily on the poor" (Naik, 1975, p. 13), in primary schools is not a very recent development in India. During the ancient period education was provided free, though students used to pay 'guru dakshina' voluntarily. But education during this period was confined to some specific high castes. The type of education which existed before the arrival of the British in India was also free, though it continued to be elitist in nature. The missionary education which sowed the seeds of

modern education was also free for the individuals who sought it. Fee, as a price for education, however nominal it might be, was introduced only by the British. Soon the phenomenon of fee was widely spread in schools in British India. As Thomas Munroe's survey of education in Madras noted, "the schools are for the most part supported by the fees, varying from one anna to four rupees per mensem; ordinarily about four annas and seldom exceeding half a rupee."[11] However, the reasons for introduction of fee were less economic and more political, to introduce elitism in the school system. The *1844 Order of the Government of West Bengal* observed, "... all boys who may come for instruction to these [government] schools should be compelled to pay a monthly sum, however small, for their tuition ... The necessity for payment tends to induce more respectable classes to send their children to government schools which would otherwise be attended by those of the lowest order." Later the Wood's Despatch also advocated fees to make people appreciate the value of education, and to improve internal efficiency though better attendance of children: "an entirely gratuitous education [is] valued far less by those who receive it than one for which some payment, however small, is made ... [further, it] induces a more regular attendance and greater exertion on the part of the pupils." As introduction of fee was made a condition to receive state grant, almost all schools fell into a uniform pattern of charging fees from the students.[12] Under the provisions of the Wood's Dispatch, educational institutions were even allowed to be run privately for profit.

Ever since, charging of fee in primary schools had been in practice in several

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11 The quotations in this paragraph are taken from Panchamukhi (1989, p. 15).

12 See also Naik (1975, p. 13) and Naik and Nurullah (1951) for more details.

princely states before independence;[13] and in some states the same practice seems to have continued even after independence and even after the adoption of the Constitution of India, that has promised to provide free elementary education to all, as the evidence discussed later shows.

4 The Disturbing Evidence

i) *Fees in Primary Education*

While according to the official statements, primary education (in fact, elementary education) is "free" in all states in India, official publications themselves provide the evidence to the prevalence of fee in primary education.[14] For example, the Education Commission (1966, p. 201) reported that 3.9 per cent of the students in lower primary stage and 16.4 per cent of the students in higher primary stage were paying fees in 1960-61. On average, the fee per student was Rs.16.4 in lower primary and Rs.18.20 in higher primary level. The fee revenue formed 2.3 per cent of the total expenditure in lower primary and 7.4 per cent in upper primary level. According to the statistics available now in *Education in India*, one of the important official annual statistical publications of the Ministry of Human Resource Development (Government of India), fee

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13 In this sense, fee in primary schools is an 'age-old phenomenon', and as a critic of my draft paper observed, I was arguing against an age-old phenomenon, rather than accepting it as an acceptable and rather as an unavoidable, if not a desirable, practice in the modern societies.

14 The very fact that the Education Commission (1966, p. 202) had recommended abolition of *tuition fee* at primary stage, is indicative of the fact that even after the Constitution came into force, the phenomenon of tuition fee in primary education continued. The Education Commission (1966, p. 201) has provided data on total fee contributions in primary education as shown later, but not specifically on tuition fee.

contributed to 0.93 per cent of total recurring income of primary schools, and 3.28 per cent at upper primary schools, which respectively work out to be Rs.2.48 per child on average in primary schools, and Rs.9.52 in upper primary schools in 1983-84, the latest year for which such data are available.[15] The respective figures were 2.5 per cent and Re.0.50 per student in 1950-51 in primary education and 23.9 per cent and Rs.8.88 in upper primary education (Table 12).[16] Both the share of fee and per student fee were higher than the above national averages in several states (Table 13). The conflict between official policy statements and the empirical evidence on the prevalence of fee can be explained, subject to the unavailability of further details, in two ways: first, it might include not tuition fee, but other kinds of fees; and secondly, these data include all recognised schools, including private aided schools, and in a good number of states primary education is not necessarily tuition fee-free in state-aided private primary schools.[17] In some states, fees are charged even in the schools managed by local layers of government (e.g., *panchayats*, municipalities and *Zilla Parishads*).[18] However, in all states, according to the official claims, there is no tuition fee at all in government

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15 Subsequent publications do not give these details on fees in primary and middle schools.

16 The decline in the relative share of fees is a phenomenon not confined to primary education only. It is true in case of other levels of education as well. See Tilak (1993b, 1995a).

17 Note that in some states in state-assisted private schools tuition fee is charged: "Tuition fee charged from class I to VII is Rs.15.00 per month (maximum) for each class" as late as in 1990-91 (MHRD, 1991).

18 This is in contrast to what the Education Commission (1966, p. 202) recommended which was free tuition at primary stage in *all* institutions, except in private institutions that do not receive state aid.

Table 12: **Fees in Elementary Education in India**

Year	Primary Education		Upper Primary Education	
	Fees as percent of Recurring Income	Per Student Fees (Rs.)	Fees as percent of Recurring Income	Per Student Fees (Rs.)
1950-51	2.50	0.50	23.92	8.88
1960-61	2.61	0.72	6.35	2.99
1970-71	2.01	1.15	3.99	3.39
1980-81	1.24	2.03	3.23	6.98
1983-84	0.93	2.48	3.28	9.52

Source: Based on MHRD [a] (various years).

Table 13: Fees in Elementary Education in India, by States, 1983-84

State	Primary Schools		Upper Primary Schools	
	Share of Fees to Total Recurring Income (%)	Fees per Student (Rs.)	Share of Fees to Total Recurring Income (%)	Fees per Student (Rs.)
Andhra Pradesh	1.23	2.73	4.30	13.17
Assam	..	..	1.80	4.07
Bihar	.	.	0.07	0.17
Gujarat	3.49	12.27	8.81	24.68
Haryana	1.30	3.64	5.54	17.73
Himachal Pradesh	..	..	0.19	1.74
Jammu & Kashmir	0.14	0.50	0.13	0.57
Karnataka	0.49	1.13	1.40	3.87
Kerala	0.08	0.18	0.83	2.18
Madhya Pradesh	1.02	2.14	4.36	14.82
Maharashtra	2.41	7.59	2.39	7.69
Manipur	0.32	1.56	1.27	6.28
Meghalaya	0.04	0.07	8.41	25.29
Nagaland	4.63	23.90	10.43	78.28
Orissa	0.08	0.15	1.23	3.61
Punjab	0.59	2.05	3.51	30.25
Rajasthan	1.84	3.13	2.68	7.99
Tamil Nadu	0.08	0.18	0.16	0.33
Tripura	0.48	1.61	1.03	4.96
Uttar Pradesh	0.33	0.53	4.91	10.72
West Bengal	1.19	2.29	2.51	9.13
A & N Island	0.17	2.00	..	..
Chandigarh	6.82	7.70	11.56	35.48
Dadra & Nagar Haveli	..	..	1.80	6.66
Delhi	2.69	13.15	16.81	151.06
Goa, Daman & Diu	0.95	5.44	0.42	0.88
Mizoram	0.10	0.37	1.69	16.19
Pondicherry	0.47	1.14	2.29	5.56

Note: . negligible; .. nil

Source: Based on MHRD [a] 1983-84.

schools (Table 14).[19]

These explanations do not stand against the now available more disturbing evidence. In a recent study on private expenditure on education, sponsored by Planning Commission, Panchamukhi (1990) found that households spend considerable amount of money on various levels of education -- pre-primary to higher -- in several states. The study, however, provides more details based on primary data collected, on three major states in India, viz., Karnataka, Maharashtra and Rajasthan. It was reported that even at elementary level of education parents have had to incur huge expenditures (Table 15). It is not only in private schools -- unrecognised and unaided, recognised and aided, and recognised and unaided -- but also in government elementary schools students pay a variety of fees -- tuition, examination, admission, gymkhana, library, and other fees -- to acquire elementary education. The tuition fee in government schools was Rs.6.39 per pupil in Karnataka, Rs.20.75 in Maharashtra and Rs.31.81 in Rajasthan in 1988-89.[20]

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19 Comparison of the same source for different years, for example for 1990-91 and 1992-93 (MHRD, 1991, 1993a) indicate changes in the scope and coverage of free education, and changes in policies with respect to private aided schools. For example, many states/union territories provide free education in government schools up to grade VIII, and a good number up to grade X/XII. While Himachal Pradesh extended free education from grades I-V to grades I-X between these two years, Nagaland has reduced the coverage up to grade IV in 1992-93, from up to grade X in 1990-91. Some states differentiate between boys and girls, often the differentiation favouring girls. Assam does not provide free primary education in schools run by local layers of government. Private aided schools in Maharashtra, Nagaland, Sikkim and Pondicherry charge fees in primary education. MHRD (1993a, p. iii) states that education up to the middle stage is provided free in government and government aided schools in all the states and union territories except in Punjab, Meghalaya and Delhi, though details summarized in Table 11 here (drawn from the same source) do not exactly conform to this statement.

20 Similar data are available for 1987-88 as well.

Table 14: **Status of 'Free' Education in India, 1992-93**

State		Status of Free Education in Schools run by		
		Government	Local Bodies	Private Aided
		Classes		
Andhra Pradesh	All	I-X	I-X	I-X
Assam	All	I-X	Not Free	I-X
Bihar	All	I-X	I-X	I-X
Gujarat	Boys	I-XI	I-XI	I-XI
	Girls	I-XII	I-XII	I-XII
Haryana	Boys	I-VIII	I-VIII	I-VIII
	Girls	I-XII	I-XII	I-XII
Himachal Pradesh	All	I-X	I-V	I-X
Jammu & Kashmir	All	I-XII	..	Not Free
Karnataka	All	I-X	I-X	I-X
Kerala	All	I-XII	I-XII	I-XII
Madhya Pradesh	All	I-XII	I-XII	I-XII
Maharashtra	Boys	I-VII	I-VII	I-XII
	Girls	I-XII	I-XII	Not Free
Manipur	Boys	I-VIII	I-VIII	..
	Girls	I-X	I-X	..
Meghalaya	All	I-VIII	I-VIII	I-VIII
	SCs/STs	A-X	A-X	A-X
Nagaland	All	-IV	-IV	Not Free
Orissa	Boys	I-VII	I-VII	I-VII
	Girls	I-X	I-X	I-X
Punjab	All	I-VIII	..	I-V
Rajasthan	Boys	I-VIII	I-VIII	I-VIII
	Girls	I-XII	I-XII	I-XII
Sikkim	All	I-XII	..	Not Free
Tamil Nadu	All	I-X	I-X	I-X(**)
Tripura	All	I-XII	..	I-XII
Uttar Pradesh	All	I-XII	I-XII	I-XII
West Bengal	All	I-XII	I-XII	I-XII
Andaman & Nicobar Isles	All	I-XII	..	I-XII
Arunachal Pradesh		I-XII	..	I-XII
Chandigarh	Boys	I-VIII	..	I-VIII
	Girls	I-XII	..	I-XII
Dadra & Nagar Haveli	All	I-XII	..	I-VII(+)
Daman and Diu	All	I-XII	..	V-XII
Delhi	All	I-VIII	I-VIII	I-VIII
Goa	All	I-X	..	V-X
Lakshadweep	All	I-X	..	..
Mizoram	All	I-X	..	I-X
Pondicherry	All	I-XII	..	Not Free

Note: + free for rural boys only;
* Rs 15.00 per month (maximum) tuition fee is charged from Class I to VII (1990-91);
** only special schools (Anglo Indian and Matriculation Schools) charge fees.

Source: MHRD (1993a).

Table 15: **Fees and Other Household Expenditure on Elementary Education in Maharashtra Karnataka and Rajasthan (Rs per Student per Year), 1988-89**

	Maharashtra				Karnataka			Rajasthan		
	Government	Private Aided	Private Unaided Recognised	Private Unrecognised	Government	Private Aided	Private Unaided Recognised	Government	Private Aided	Private Unaided Recognised
Fees										
Tuition	20.75	129.56	291.94	245.37	6.39	93.28	139.98	31.81	309.18	459.51
Examination	6.40	16.22	11.67	27.30	2.06	10.11	23.82	15.36	30.21	34.75
Admission	5.16	66.81	24.00	128.46	5.50	27.33	34.14	27.03	156.71	357.44
Gymkhana	..	18.50	35.00	..	5.58	6.96	10.13	14.56	23.13	172.00
Library	..	21.70	31.50	..	4.00	5.75	90.00	11.55	81.21	13.53
Laboratory	..	110.00	39.29	..	5.00	..	17.50	..	..	..
Others	27.40	42.68	57.89	93.32	3.59	55.36	64.81	143.33	56.11	55.00
Total Fees	59.71	405.47	491.29	494.45	32.12	198.79	380.38	243.64	656.55	1092.23
Capitation	..	2525.00	400.00	..	..	7.50	..	..	70.00	5000.00
Donations	..	145.45	350.00	800.00	..	15.31	53.33	..	406.67	125.00
Coaching	147.89	233.34	206.75	210.33	75.57	131.20	186.25	155.83	447.62	393.75
Stationery	66.80	136.67	178.82	212.19	42.37	128.92	145.30	107.63	230.30	264.72
Transport	32.00	452.72	643.27	655.83	12.50	83.69	113.05	101.67	153.40	293.75
Other Items	78.85	134.49	182.05	95.00	1031.90	1084.91	1652.08	201.19	220.92	345.23
Grand Total	385.25	4033.14	2452.18	2467.80	1194.46	1650.32	2530.39	809.96	2185.46	7514.68

Note: No data are available on private unrecognized schools in Karnataka and Rajasthan.

Source: Panchamukhi (1990, pp. 83, 146 and 198).

All kinds of fees amount to Rs.59.71 per pupil in Maharashtra, Rs.243.64 in Rajasthan and Rs.494.45 in Karnataka. In addition, students, of course, spend on private coaching, stationery, transport and other items, which are also sizeable. Fees and all types of expenditure are of course, higher in private schools than in government schools. Private institutions were found charging not only a larger number of kinds of fees and higher amounts, but also capitation and donations from students/parents.

Now more elaborate evidence is available on India on several states from the 42nd Round of the NSSO survey conducted in 1986-87. Adopting a simple, but not necessarily a correct definition, the NSSO (1991, p. 33), like the Ministry of Human Resource Development, defined that "education is considered "free" if no tuition fee is to be paid by any student, i.e., free for all students *even if some other payments are to be made by some or all of them*" [emphasis added]. Even though free compulsory education (universalisation of elementary education) in India refers to primary and upper primary (middle) levels of education, as noted earlier, the analysis here is confined to primary education, as the NSSO classified educational levels into primary and secondary levels, in addition to other levels, a classification that does not allow considering upper primary level or regrouping of the levels of education into elementary education separately.

Even according to this definition, primary (not necessarily elementary) education in India is not free *even in government schools*. About 85 per cent of the students in government primary schools in rural areas, and about half the students in government primary schools in urban areas receive tuition fee-free education. Less than or about one per cent of the children get partially or totally exempted free payment of fees.[21] The remaining students, i.e., nearly 15 per cent of the students in rural areas, and nearly half the students in government schools in urban areas pay tuition fee (Table 16), in addition

21 No details are available on the amount of partial exemption.

Table 16: Percentage of Children Getting Free Primary Education and Partial/ Total Exemption from Payment of Tuition Fee in India, 1986-87

	Government			Private		
	Boys	Girls	All	Boys	Girls	All
Rural						
Tuition Free	84.4	84.9	84.6	6.0	7.8	6.1
Exemption	0.8	0.7	0.8	0.4	0.3	0.3
	(21)	(27)	(23)	(34)	(98)	(56)
Urban						
Tuition Free	50.2	52.1	51.1	11.3	12.7	11.9
Exemption	1.1	0.9	1.0	2.0	1.9	1.9
	(63)	(55)	(60)	(84)	(88)	(86)

Note: Figures in ( ) are average amount of exemption (Rs.)

Source: NSSO (1991; Table 8.1.3; pp. S40 and S94).

to payment of several other kinds of fees and in addition to incurring other expenditure. Tables 17 and 18 present these details by states and union territories. In Table 17 Kerala figures as an interesting case. Less than half the students in government schools in rural areas receive free primary education -- the lowest figure among the major states. In contrast, nearly half the students in private schools also receive free education -- the highest proportion among the major states.[22] Thus, on the whole, primary education does not seem to be tuition fee-free in India.[23]

One might expect that since fees are being charged in primary schools that is actually expected to be really free, a sizeable number of students get exempted from payment of fees fully, and liberal scholarships and other kinds of financial assistance are given. But according to the present evidence, the number of students exempted, partially or fully, from tuition fee payments is infinitismally small. They are so small that in percentage terms, the number of students paying fees is least affected.

ii) *Incentives*

Even before independence, particularly since 1921, Indian national leadership strongly favoured provision of not only free education, but also a "liberal provision of other forms of positive student support such as free supplies of educational equipment or clothing, provision of frees school meals and other health services, hostels, and

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22 The nature of private schools covered in the NSSO survey is discussed later.

23 One of the critics of my draft paper, however, observes that these numbers might mean that primary education is provided free to all in India; however those who pay tuition fee form a small minority (15 per cent of the children in rural schools and 50 per cent in urban schools (the weighted average on the whole might be around 20-30 per cent), and that hence they should be treated as an exception.

Table 17: **Percent of Students Getting Free Primary Education in Government and Private Schools in India, by States, 1986-87**

State	Government			Private		
	Male	Female	Total	Male	Female	Total
Rural						
Andhra Pradesh	92.3	90.9	91.7	2.0	4.0	2.8
Assam	87.2	88.8	87.8	7.8	6.3	7.2
Bihar	90.8	85.0	89.0	1.1	3.6	1.9
Gujarat	97.6	99.4	98.4	0.7	0.4	0.6
Haryana	84.8	93.0	87.8	-	-	-
Jammu & Kashmir	91.3	89.9	90.7	0.7	0.3	0.5
Karnataka	92.9	94.1	93.4	3.1	2.2	2.7
Kerala	47.3	49.5	48.3	48.6	46.4	47.5
Madhya Pradesh	97.1	95.4	96.6	0.6	1.2	0.8
Maharashtra	91.2	92.3	91.7	2.8	2.9	2.8
Orissa	92.7	91.9	92.3	4.5	5.4	4.9
Punjab	80.6	84.1	82.1	0.8	1.1	0.9
Rajasthan	93.0	92.8	92.9	0.2	0.4	0.3
Tamil Nadu	78.1	77.2	77.7	19.8	19.1	19.5
Uttar Pradesh	68.6	73.2	69.9	4.4	5.4	4.7
West Bengal	84.3	82.2	83.5	14.6	15.7	15.0
Coefficient of Variation	0.14	0.13	0.14	1.72	1.60	1.67
Urban						
Andhra Pradesh	48.8	52.5	50.4	4.7	2.6	3.8
Assam	82.8	82.7	82.7	2.5	1.9	2.2
Bihar	50.8	51.4	51.1	3.1	4.6	3.7
Gujarat	70.6	65.4	68.2	2.7	3.8	3.2
Haryana	24.9	35.5	30.0	2.6	3.3	3.0
Jammu & Kashmir	50.1	54.3	52.1	1.3	-	0.7
Karnataka	61.7	63.5	62.6	13.3	10.5	11.9
Kerala	56.4	57.9	57.2	32.1	36.7	34.4
Madhya Pradesh	71.0	69.6	70.4	8.3	10.9	9.5
Maharashtra	50.8	49.6	50.3	13.2	19.8	16.0
Orissa	73.8	82.9	77.9	10.3	9.6	10.0
Punjab	31.1	39.7	34.8	3.7	3.5	3.6
Rajasthan	42.0	41.1	41.7	10.1	6.5	8.6
Tamil Nadu	48.7	48.1	48.4	26.2	26.4	26.3
Uttar Pradesh	25.1	30.2	27.2	10.6	14.9	12.3
West Bengal	58.4	56.2	57.3	21.2	17.2	19.3
Coefficient of Variation	0.31	0.27	0.29	0.85	0.91	0.87

Source: NSSO (1993a,b, Table 8.1.3).

Table 18: Percent of Students Partially/Wholly Exempted from Payment of Fees in Primary Education in India, by States, 1986-87

State	Government			Private		
	Male	Female	Total	Male	Female	Total
Rural						
Andhra Pradesh	-	-	-	0.2	0.2	0.2
Assam	0.9	1.0	0.9	-	-	-
Bihar	1.8	2.0	1.9	0.2	0.2	0.2
Gujarat	-	-	-	0.1	-	0.1
Haryana	-	0.3	0.1	-	-	-
Jammu & Kashmir	-	-	-	1.2	0.9	1.1
Karnataka	0.5	0.3	0.4	-	0.4	0.2
Kerala	0.3	0.2	0.3	0.2	-	0.1
Madhya Pradesh	0.6	0.6	0.6	-	-	-
Maharashtra	1.6	1.5	1.5	0.9	0.9	0.9
Orissa	0.3	0.6	0.4	0.1		0.1
Punjab	0.5	0.3	0.4	1.0	0.2	0.6
Rajasthan	1.3	0.7	1.2	-	-	-
Tamil Nadu	0.3	-	0.2	-	0.2	0.1
Uttar Pradesh	1.3	1.3	1.3	1.1	0.7	1.0
West Bengal	0.3	0.6	0.4	-	0.3	0.1
Coefficient of Variation	1.0	1.0	0.9	1.4	1.2	1.3
Urban						
Andhra Pradesh	0.8	1.1	0.9	1.0	0.5	0.8
Assam	1.6	1.0	1.3	1.0	0.9	1.0
Bihar	0.5	1.2	0.8	2.6	1.6	2.2
Gujarat	0.3	1.4	0.8	1.0	1.5	1.3
Haryana	-	0.4	0.2	6.6	1.7	4.3
Jammu & Kashmir	1.5	-	0.8	3.6	3.3	3.5
Karnataka	1.5	1.0	1.2	0.3	0.1	0.2
Kerala	-	0.4	0.2	-	-	-
Madhya Pradesh	0.4	0.7	0.5	0.2	0.5	0.3
Maharashtra	4.2	2.2	3.4	2.3	4.4	3.1
Orissa	-	0.9	0.4	1.5	-	0.8
Punjab	0.1	0.1	0.1	4.3	4.0	4.2
Rajasthan	0.9	1.6	1.2	3.7	0.6	2.4
Tamil Nadu	0.2	0.2	0.2	0.3	0.9	0.6
Uttar Pradesh	0.5	0.1	0.3	3.8	3.5	3.7
West Bengal	1.6	-	0.8	1.9	3.6	2.7
Coefficient of Variation	1.2	0.8	0.9	0.8	0.9	0.7

Source: NSSO [1993a, b; Table 8.1.3(2)].

scholarships" (Naik, 1975, p. 13). During the post-independence period, several incentive schemes have had been in operation, and some of them received special thrust in the seventh and eighth Five Year Plans, particularly to attract the students of weaker sections into schools. Out of the 5.29 lakh primary schools, as per the *Fifth All-India Educational Survey 1986* (NCERT, 1992), as many as 1.47 lakh schools were providing mid-day meals to about 136 lakh children. About 2.48 lakh schools were providing free uniforms to about 110 lakh children and about 202 lakh children were getting free textbooks in 3.13 lakh schools (Department of Education, 1989). The *Programme of Action* (Government of India, 1986b) stressed the need for some more incentives like establishment of day-care centres for pre-school children and infants, so that girl children can go to schools. The Government of India has also recommended expansion of the existing schemes more intensively to the target population groups. For example, it suggested provision of two sets of free uniforms, free textbooks and stationery as attendance incentives to the girls of all families below poverty line, and provision of free transport in state roadways buses to children attending elementary schools, etc. In fact, the Government of India has promised in the *Programme of Action* that "a comprehensive system of incentives and support services will be provided for girls and children of the economically weaker sections of society."

According to the available evidence that the NSSO collected from households, financial incentives, viz., scholarships were available to a very small fraction of students -- 1.3 per cent of students in urban areas, and 2.36 per cent in rural areas (Table 19), while the Education Commission (1966) recommended that at least five per cent of the students enrolled at primary stage should be given scholarships by 1985-86. But per receiving student, the amount of scholarship was on average reasonably high, Rs.90 in rural areas and Rs.115 in urban areas that could more or less compensate for the direct expenditure on education on the part of the students in rural areas and a substantial, but

Table 19: **Percent of Students Receiving Scholarships and the Amount of Scholarship per Receiving Student (Rs.) in Primary Education in India, 1986-87**

	Rural		Urban	
	%	Amount	%	Amount
Males	2.49	103	1.33	115
Females	2.14	67	1.32	115
All	2.36	90	1.32	115

Source: NSSO (1991, Table 10.1.3).

not total part in urban areas. However, in some states it was as low as Re.1 (for girl students in urban schools in Jammu and Kashmir) (Table 20).

Material incentives are also severely restricted to a small fraction of students: provision of textbooks and stationery free or at concessional prices[24] is restricted to about 15 per cent of the students.[25] In rural schools in Tamil Nadu and Karnataka, 70 per cent of the students receive textbooks/stationery; and in West Bengal 60 per cent. But in as many as eight of the 16 major states textbooks/stationery are proved to less than 7 per cent of the students. The Education Commission (1966, p. 206) had recommended that a set of free books should be provided to all students in primary education. After all, the externalities associated with textbooks are too important to ignore. The parents and other children who do not go to schools may look at these books when carried home and the effects could be substantial (Tilak, 1993a, p. 5). Other incentives, viz., school meal programmes or mid-day meals, that were found to have increased enrolment and attendance, and reduced dropouts and wastage significantly in primary schools (e.g., in Tamil Nadu) (Rajan and Jayakumar, 1992) were restricted to 10 per cent of the students. Only in rural schools in Tamil Nadu, the programme is extensively spread reaching a little more than 80 per cent of the students. Gujarat comes next with 65 per cent of the students receiving noon-meals in rural areas.

Provision of transport facilities at free or concessional rates[26] were available to

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24 The results given in *Sarvekshana* do not give the details whether the incentives were provided free *or* at concessional prices, and in each category to how many students. Information on concessional prices charged was also not available.

25 No details are available on number of textbooks and items of other stationery provided to each student.

26 Again, NSSO does not give details on the concessional rates charged either in absolute values (in Rs.) or as a proportion of the normal rates.

Table 20: **Percent of Students Receiving Scholarships and the Amount of Scholarship per Receiving Student (Rs.) in Primary Education in India, by States, 1986-87**

State	Males		Females		Total	
	%	Amount	%	Amount	%	Amount
Rural						
Andhra Pradesh	6.42	96	4.68	38	5.73	78
Assam	0.33	15	1.00	347	0.61	242
Bihar	4.79	96	2.20	98	3.96	97
Gujarat	3.98	53	2.38	29	3.27	45
Haryana	3.39	32	9.93	68	5.76	55
Jammu & Kashmir	4.46	79	5.38	64	4.80	73
Karnataka	1.97	121	0.52	58	1.37	111
Kerala	8.89	47	10.26	40	9.56	43
Madhya Pradesh	4.85	202	3.06	137	4.30	187
Maharashtra	0.87	8	0.27	220	0.60	51
Orissa	2.76	181	1.79	78	2.35	148
Punjab	1.37	57	1.43	51	1.40	55
Rajasthan	0.58	127	0.55	26	7.00	103
Tamil Nadu	0.33	19	-	-	0.18	19
Uttar Pradesh	0.62	44	0.78	26	0.66	38
West Bengal	0.50	146	0.40	75	0.46	121
Coefficient of Variation	0.85	0.69	1.13	1.00	0.83	0.63
Urban						
Andhra Pradesh	3.82	237	2.16	43	3.10	179
Assam	-	-	0.61	70	0.32	70
Bihar	1.64	75	1.34	62	1.51	70
Gujarat	1.59	131	2.20	197	1.87	166
Haryana	1.06	10	4.95	63	2.90	53
Jammu & Kashmir	0.48	80	0.57	1	0.52	39
Karnataka	0.85	35	0.72	29	0.78	32
Kerala	8.25	38	3.87	40	6.07	38
Madhya Pradesh	1.50	169	1.10	409	1.47	248
Maharashtra	0.13	120	1.02	94	0.51	98
Orissa	0.31	55	0.72	63	0.49	60
Punjab	-	-	1.05	..	0.45	..
Rajasthan	0.59	124	0.25	111	0.45	121
Tamil Nadu	0.21	147	0.66	429	0.42	357
Uttar Pradesh	1.21	30	1.27	20	1.24	26
West Bengal	0.10	39	-	-	0.06	39
Coefficient of Variation	1.48	0.82	0.91	1.27	1.08	0.92

Note: .. Data are not available

Source: NSSO (1993a, b; Table 10.1.3)

only four per cent of the students. The only exception is Scheduled Tribe students in case of transport facilities. 60 per cent of the Scheduled Tribe students in urban areas receive free or at concessional rates transport facilities to and fro schools. Even though distribution of incentives is highly restricted, the severely restricted quantum of incentives, particularly books and mid-day meals, is somewhat progressively distributed, the low income groups receiving relatively more than high income groups. However, such progressivity is not necessarily seen in case of transport facilities (Table 21). In general, textbooks and stationery were received by a higher proportion of students than other incentives. This is true in case of many states (Table 22). However, as the Working Group on Elementary Education (MHRD, 1989) rightly felt, it may not be proper to treat items like textbooks, stationery and learning material as incentives, as they are essential prerequisites for learning. Keeping in view the spirit of "free" education, it is necessary that these requisites are provided free to all children going to schools.

The incentives are found to be positively influencing enrolment/attendance of children in schools, and conversely they are negatively influencing the non (never)-enrolment in schools, as the coefficients of correlation given in Table A.1 (in the Appendix) suggest.[27] Though many coefficients are not statistically significant, all but one have expected signs. Transport facilities seem to be statistically significantly correlated with attendance/non-enrolment. In terms of the value of the coefficient of correlation, the second one is mid-day meals. Textbooks/stationery are found to be least significantly correlated.[28]

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27 Data on percentage of children attending schools refer to 1987-88, while the data on other indicators refer to 1986-87.

28 But the coefficients of correlation between the percentage of children receiving incentives and gross enrolment ratios (official estimates) are found to be statistically significantly correlated: textbooks having the highest and statically

Table 21: **Percentage of Students in Primary Education Receiving Incentives Free or at Concessional Rates in India, 1986-87**

	Textbooks and Stationery	Mid-Day Meals	Transport
Rural			
All	20.7	15.6	1.4
Scheduled Tribes	34.3	18.9	0.4
Scheduled Castes	33.0	18.9	1.1
Per Capita Household Expenditure Quintiles			
0 - 20	29.3	23.4	0.8
20 - 40	23.0	17.3	0.9
40 - 60	20.2	13.9	1.3
60 - 80	16.8	13.4	1.5
80 -100	13.9	70.0(?)	2.7
Urban			
All	13.5	9.7	3.5
Scheduled Tribes	18.4	10.9	60.6
Scheduled Castes	27.4	14.1	1.3
Per Capita Household Expenditure Quintiles			
0 - 20	22.2	16.9	8.1
20 - 40	18.0	14.5	1.0
40 - 60	12.6	8.0	1.8
60 - 80	7.4	3.8	2.9
80 -100	3.2	1.9	4.4

Source: NSSO (1991, Table 11.1; pp. S55 and S105).

Table 22: **Percent of Students Receiving Incentives Free or at Concessional Rates in Primary Education in India, by States, 1986-87**

State	Rural			Urban		
	Text-books & Stationery	Midday Meals	Tran-sport	Text-books & Stationery	Midday Meals	Tran-sport
Andhra Pradesh	20.5	5.2	1.0	10.3	0.9	2.4
Assam	39.1	1.0	0.5	27.6	0.3	0.1
Bihar	1.5	0.5	0.9	0.5	1.0	1.3
Gujarat	22.8	64.5	2.5	14.0	35.8	1.4
Haryana	4.1	1.8	2.5	1.2	-	0.8
Jammu & Kashmir	1.4	0.4	1.7	0.1	-	1.7
Karnataka	70.6	22.4	3.1	46.9	14.1	2.7
Kerala	1.9	26.2	5.4	2.0	18.6	7.2
Madhya Pradesh	22.3	6.3	0.3	6.4	0.5	0.2
Maharashtra	6.8	9.1	1.0	8.1	2.4	1.7
Orissa	5.6	9.0	0.5	1.0	0.7	0.3
Punjab	10.4	0.8	1.8	6.6	0.7	48.9
Rajasthan	3.4	4.8	0.6	2.4	2.4	0.3
Tamil Nadu	70.7	81.5	0.8	30.0	41.2	2.6
Uttar Pradesh	0.4	0.6	0.2	0.6	0.8	0.5
West Bengal	59.4	18.5	2.3	29.1	9.9	2.2
Coefficient of Variation	1.14	1.47	0.84	1.17	1.58	2.49

Source: NSSO (1993a, b: Table 11.1).

iii) *Household Expenditure on Education*

Contrary to general impressions that students/households do not spend much on primary/elementary education, that is being provided by the government free to all, the available evidence makes it clear that households spend considerable amounts on primary education. In addition to the earlier studies (e.g., Education Commission, 1966; Shah, 1969) and a recent study by Panchamukhi (1990), NCAER (1994) in a more recent study on 15 major states in India including Delhi (but not including Uttar Pradesh) that covered, in all, more than 15,000 households, found that from the point of view of households elementary education is very costly; households incur huge expenditures on elementary education in all states -- in rural and urban areas; and on girls' and boys' education (Table 23). Annual expenditure per student ranges between Rs.290 in Bihar and Rs.773 in Kerala (Rs.1029 in Delhi) in 1992-93. Unfortunately the available results do not make a distinction between government and private schools. It was found that expenditure in urban areas is much higher than in rural areas; but high private expenditures on elementary education in urban and rural areas generally go together. The authors report that there is not much difference in expenditure of the households on the education of boys and girls. But except in Kerala, Madhya Pradesh, Tamil Nadu and Delhi, in all states expenditure on girls' education is less than expenditure on boys' education, and the difference is very large in Punjab and Haryana. For example, in Punjab the difference is of the magnitude of Rs.189 per student, and in Haryana it is Rs.221. In other states the difference is marginal.

It was also found by NCAER (1994) that households spend a higher proportion of

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significant correlation, followed by noon meals. But when the gross enrolment ratios are substituted by official estimates on dropouts, the coefficients of correlation turn out to be not high, nor are they statistically significant. See Table A.2 in the Appendix.

Table 23: **Household Expenditure on Elementary Education, by Per Capita Annual Income Group, 1992-93**

Per Capita Annual Income	< 3000	3001--6000	6001--10000	> 10000	All Groups
Rs per Student					
Andhra Pradesh	299	491	708	1218	547
Assam	438	870	965	1276	665
Bihar	220	301	469	915	290
Gujarat	295	413	594	909	446
Haryana	528	747	1143	1670	924
Karnataka	389	541	667	1097	505
Kerala	641	904	1009	1260	773
Madhya Pradesh	293	537	711	1132	362
Maharashtra	309	391	588	856	411
Orissa	276	395	518	653	330
Punjab	580	667	1187	875	676
Rajasthan	300	426	569	790	435
Tamil Nadu	374	554	761	1455	445
West Bengal	457	733	962	1473	675
Delhi	519	904	1142	1782	1029
Percent of Income					
Andhra Pradesh	15.13	10.86	8.79	7.84	10.08
Assam	27.83	20.16	12.41	8.48	16.44
Bihar	10.30	7.08	5.98	6.31	7.96
Gujarat	14.33	9.55	7.58	6.01	8.06
Haryana	25.04	16.78	14.36	10.07	14.12
Karnataka	21.18	12.73	8.70	7.11	12.40
Kerala	35.80	20.12	12.68	8.59	19.06
Madhya Pradesh	18.99	12.68	9.24	7.31	14.85
Maharashtra	14.66	8.99	7.42	5.32	8.53
Orissa	14.65	9.26	6.74	4.33	9.83
Punjab	32.18	14.78	14.63	5.98	14.91
Rajasthan	13.88	10.00	7.23	5.64	9.25
Tamil Nadu	21.52	13.24	9.79	8.69	14.37
West Bengal	25.31	16.15	12.14	8.77	14.82
Delhi	22.75	19.34	13.59	10.15	13.12

Source: NCAER (1994, pp. 49 and 55).

the income on elementary education -- eight per cent in Bihar and nearly 20 per cent in Kerala. Further, it was found that lower income groups spend higher proportion of their income on elementary education than richer households. In Kerala low income groups spend 36 per cent of their income on elementary education of their children, while rich households spend less than ten per cent. In Punjab the corresponding proportions are 32 per cent and six per cent respectively. Proportion of income being spent on education systematically increases by decreasing household per capita income levels -- in rural as well as urban areas -- implying a positive and rather high income elasticity of household expenditure on education.

While there is no specific reference to tuition fee, according to the NCAER (1994) study, examination fee and other fee account for 14.5 per cent in Bihar, 31.7 per cent in Haryana and as high as 35 per cent in Delhi. School uniforms, books and stationery absorb the major part of the total household expenditure on elementary education.

From the data base provided by the NSSO, it is possible to make more detailed estimates. First, a quick estimate on the total household expenditure on primary education in India.[29] According to the NSSO estimates, there were 50 million students in primary level in rural areas, and 18 million in urban areas. Average annual expenditure per student in rural areas was Rs.84 and in urban areas it was Rs.177.[30] Thus, in all, households invested Rs.7389 million on primary education (excluding opportunity costs) in India in 1986-87 (Table 24). This is indeed sizeable, in contrast to

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29 Earlier available data from NSSO were not adequate to estimate the same by levels of education. See Tilak (1991) for estimates on the household expenditure on education as a whole, in India.

30 The weighted average works out to be Rs.109 per student.

Table 24: **Household Expenditure on Primary Education in India, 1986-87**

	No of Students (millions)	Household Expenditure per student (Rs)	Total Household Expenditure (million Rs)
Rural	50.03	84.00	4202.52
Urban	18.00	177.00	3186.00
Total	68.03	108.61	7388.52

Source: Based on NSSO (1991).

Table 25: **Average Amount of Annual Expenditure Per Student on Primary Education, by Household Expenditure Quintiles in India, 1986-87 (Rs.)**

Per Capita Household Expenditure Quintiles	Government			Private		
	Boys	Girls	All	Boys	Girls	All
Rural						
0 - 20	61	61	61	121	100	113
20 - 40	74	64	71	154	114	139
40 - 60	87	77	83	211	127	178
60 - 80	103	95	100	231	239	234
80 -100	137	120	130	493	396	451
All	87	80	84	232	194	217
Urban						
0 - 20	103	104	103	307	258	287
20 - 40	143	147	144	368	334	354
40 - 60	205	191	198	494	482	489
60 - 80	341	263	304	741	683	712
80 -100	571	491	539	1229	1180	1208
All	183	169	177	493	396	451

Source: NSSO (1991; Table 12; pp. S57-58; and S106-07).

about Rs.17000 million invested by government on primary education in 1986-87[31], i.e., households spend about one-third of total (government plus household) expenditure on primary education in the country.

More importantly, as the NCAER (1994) reported, the level of expenditure increases by increasing economic class of the students/households, i.e., richer households spend consistently more than poorer households. The top household expenditure quintile spends 2-5 times higher than the bottom quintile (Table 25). In other words, household expenditure on education is highly income elastic. But such elasticities cannot be found if we consider economic development of the states (say, e.g., SDP per capita) and household expenditure on education, i.e., households in economically backward states do not necessarily spend less on primary education than those in richer states and *vice-versa* (Table 26).

Also contrary to the general impression that only a few rich students spend on primary education, sizeable number of students were found to be incurring various types of expenditure on primary education. Nearly 60-90 per cent of the students pay tuition and examination fees, 29-44 per cent other fees, 56-86 per cent spend on textbooks and stationery, and 6-8 per cent on private coaching (the range limits refer to urban and rural areas) (Table 27).

While the published statistics are not very clear on the definition and terminology adopted, expenditure levels per *reporting* student, according to these published statistics, are unbelievably high,[32] particularly on fees. For instance, children on average in rural

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31 This is the author's estimate of total institutional expenditure based on data available for 1983-84 and 1987-88. The data relating to 1986-87 are not available.

32 In case of other sectors such as health also, the household expenditures are reported to be somewhat alarmingly high *per reporting member*.

Table 26: Average Annual Amount of Household Expenditure on Primary Education Per Student in India, by States, 1986-87 (Rs.)

State	Government			Private		
	Male	Female	Total	Male	Female	Total
Rural						
Andhra Pradesh	39	36	38	332	296	317
Assam	89	87	88	88	72	82
Bihar	118	93	111	350	175	259
Gujarat	49	52	49	488	151	434
Haryana	230	200	219	612	556	598
Jammu & Kashmir	172	188	178	475	661	547
Karnataka	53	40	48	151	281	206
Kerala	103	86	95	125	134	130
Madhya Pradesh	74	75	75	359	257	314
Maharashtra	83	79	81	158	261	201
Orissa	66	69	67	100	107	103
Punjab	117	128	122	708	575	665
Rajasthan	111	107	110	334	264	327
Tamil Nadu	57	52	55	127	156	140
Uttar Pradesh	78	77	78	245	208	235
West Bengal	85	74	81	145	112	131
Coefficient of Variation	0.50	0.50	0.50	0.62	0.65	0.60
Urban						
Andhra Pradesh	115	116	115	527	482	509
Assam	250	188	217	400	774	629
Bihar	246	254	249	634	603	621
Gujarat	114	101	108	619	572	596
Haryana	186	241	217	726	776	747
Jammu & Kashmir	246	244	245	727	602	670
Karnataka	93	101	97	637	547	593
Kerala	133	125	129	360	282	321
Madhya Pradesh	163	182	172	552	272	550
Maharashtra	170	139	157	499	447	476
Orissa	175	192	183	1028	571	876
Punjab	174	194	183	662	700	677
Rajasthan	206	239	220	510	617	552
Tamil Nadu	154	138	147	480	444	462
Uttar Pradesh	197	152	178	509	525	515
West Bengal	219	194	208	654	581	617
Coefficient of Variation	0.27	0.29	0.26	0.26	0.25	0.21

Source: NSSO (1993a, b; Table 12)

areas pay Rs.1004 per reporting student as tuition and examination fees, Rs.13 as other fees, besides spending Rs.42 on books and stationery and Rs.107 on private coaching (Table 28). All these refer to children in government primary schools.

The need for high level of household expenditure would cause dropouts or even non-enrolment of the children of the poor families in schools. It is found here that in general, if household expenditures are high, attendance tends to decline, and if household expenditures are high, the tendency to not (never) enrol increases. The coefficients of correlation are not statistically significant in rural areas; but in urban areas, they are significant. In general, the signs suggest negative correlation of household expenditures with attendance/enrolment of children of the age-group 5-9 in schools both in rural and urban areas and positive correlation of household expenditure with percentage of children (age-group: 6-14) never enrolled in schools in urban areas, and among the girls in rural areas (Table A.3 in the Appendix).[33]

It may be useful to examine whether any relationship exists between household expenditure and government expenditure on primary education. One might expect an inverse relationship, as higher levels of household expenditures would be required if the public subsidies are lower and *vice-versa*. But earlier on the basis of time-series data on India as a whole, Tilak (1991) found that there existed positive and statistically significant relationship between household and government expenditures on education. But now we find here that there is negative and statistically significant correlation between household

33 Similar results are also found with the estimates on gross enrolment ratios and official dropout rates. See Table A.4 in the Appendix. Specifically fee per student as estimated by MHRD (Table 13) is also negatively correlated with gross enrolment ratios, though the coefficient of correlation is small and not statistically significant (-0.0785).

Table 27: **Average Annual Amount of Expenditure on Primary Education per Reporting Student in India, 1986-87 (Rs.)**

Item of Expenditure	Government Schools		Private Schools	
	Amount	%	Amount	%
Rural				
Tuition and Examination Fee	1004	86.1	1051	79.9
Other Fees	13	1.1	39	3.0
Books and Stationery	42	3.6	70	5.3
Private Coaching	107	9.2	156	11.9
Total	1166	100.0	1316	100.0
Urban				
Tuition and Examination Fee	1011	80.0	1169	71.9
Other Fees	26	2.1	98	6.0
Books and Stationery	50	4.0	98	6.0
Private Coaching	176	13.9	260	16.0
Total	1263	100.0	1625	100.0

Source: Based on NSSO (1991, Table 13.1; pp.S-58 and S-108).

Table 28: **Percentage of Students Reporting the Expenditure incurred on Primary Education in India, 1986-87**

Item of Expenditure	Government Schools	Private Schools
Rural		
Tuition and Examination Fee	89.7	10.3
Other Fees	43.6	5.2
Books and Stationery	86.2	10.1
Private Coaching	6.2	1.3
Urban		
Tuition and Examination Fee	58.5	41.5
Other Fees	29.0	25.4
Books and Stationery	56.3	40.9
Private Coaching	8.2	7.9

Source: NSSO (1991, Table 13.2; pp. S59 and S108).

expenditure and government expenditure per student in primary education.[34]

iv) *Disparities in Household Expenditure*

a) *Gender Discrimination*

Gender disparities are also high in household expenditure on education. Among the students receiving tuition fee-free primary education girls are better placed. But number of boys receiving partial or total exemption from payment of tuition fee are proportionately higher than girl students, though in both cases the numbers involved are, as noted earlier, small. A smaller proportion of girl students receive scholarships than boys in rural areas. More importantly, scholarship per receiving student was only Rs.67 for girls, compared to Rs.103 for boys. This unequal treatment particularly in the amount of scholarship between boys and girls is inexplicable. There are of course a few major exceptions to this practice: girls in rural Assam and Maharashtra and urban Gujarat, Madhya Pradesh and Tamil Nadu receive much higher amount of scholarship than boys. But these constitute only a handful cases. In urban areas there does not seem to exist much discrimination against girl students. Further, households also discriminate against girls in spending on their education. Households spend less on the education of girls than on boys.[35] This is true at all income levels; true between rural and urban

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34 The coefficients of correlation between recurring expenditure per student on primary education (MHRD [a], 1987-88) and household expenditure on education per student (1986-87) are given in Table A.5 in the Appendix. It may be noted that the former one is not available by gender or by region (rural and urban).

35 NCAER (1994) also reports lower levels of household expenditure on girls' education than on boys in a few states. But these differences are justified by the authors on the belief that higher levels of expenditure are not required on girls' education due to higher public subsidies being given to promote girls'

areas, and true in government and private schools, though again there are a number of states where the pattern is different particularly in urban areas.

That household expenditure on education of girls is less than that on boys is not taken seriously at secondary and higher levels on the ground that girl students spend less on extra-curricular activities, etc., while boys tend to spend more, which account for the differences in expenditure on education of boys and girls. But given the kind of items of expenditure on education that are included by NSSO, such a view will not be tenable. The NSSO (1991, p. 33) clearly states that expenditure on extra-curricular activities, excursions (other than education tours), etc., is not included. Hence the differences in expenditure per student on education by households are largely attributable to parental discrimination against spending on girls' education. Thus the evidence suggests the extent of government as well as household level discrimination against girl children in their respective patterns of expenditures on education. The increasing research evidence that shows that investment in girls' education yields higher returns (Tilak, 1987; Schultz, 1993) stresses the need for change in these patterns in government as well as household expenditures on education of girls.

b) *Rural-Urban Disparities*

Rural-urban differences are also marked. Percentage of students receiving tuition fee-free primary education is very high in rural areas than in urban areas. But the proportion of students exempted partially or totally from the payment of tuition fee is smaller in rural areas compared to urban areas, though a large proportion of students in rural areas receive scholarships than those in urban areas. But students in rural areas get

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education. But here we find that even government scholarships discriminate against girls.

an amount of Rs.90 per student, compared to Rs.115 in urban areas. Distribution of material incentives marginally favours children in rural areas, compared to those in urban schools. The exception is, as already noted, transport facilities for scheduled tribes, which are used by a large proportion of students in urban areas. As one might expect, due to relatively lower costs of living in rural areas, levels of household expenditure on education per student are lower in rural areas than in urban areas. This is true across all household expenditure classes, and by gender groups. The expenditure on tuition and examination fee per reporting student is more or less same in rural and urban areas, though expenditure on other fees and other items is less in rural areas than in urban areas. A larger proportion of students report incurring of expenditure on various types of fees and other items in rural areas compared to urban areas.

c) *Public and Private Schools*

The definition of private schools adopted by the NSSO is not clear. It is likely that it includes all schools privately managed, i.e., inclusive of private unaided schools and private aided schools. While in many respects, state-aided private schools are largely similar in a variety of ways to government schools, private unaided -- whether recognised or unrecognised -- schools are much different from others (see Tilak, 1994b). State-aided private schools and government schools have several programmes in comparable proportions, say equity-oriented programmes such as mid-day meal programmes and provision of uniforms and textbooks. Pupil-teacher ratios are also similar. However, significant differences exist between government and private schools aided by the state on the one side and private unaided schools on the other (Table 29). Hence, it is necessary that any discussion on private schools notes this distinction. But the classification adopted by NSSO does not allow us to make this distinction, and as a result, very clear and meaningful patterns do not seem to emerge from the data available.

Table 29: **Distribution of Elementary Schools, by Certain Characteristics and by Sector of Management in India, 1986 (per cent)**

Educational Level	Public			Private		Grand Total
	Government	Local Bodies	Total	Aided	Unaided	
a) % of Schools having Equity-Oriented Programmes						
Mid-Day Meal Programmes						
Primary	25.7	28.8	49.3	53.6	3.6	27.9
Middle	17.7	41.8	65.3	18.7	1.4	24.3
Elementary	24.0	30.6	51.6	36.3	2.6	27.2
Free Uniform (Clothes) Programme						
Primary	50.2	46.6	48.2	40.2	7.2	46.8
Middle	40.9	42.7	41.7	17.0	5.7	34.6
Elementary	48.2	46.1	47.1	28.6	6.5	44.3
Free Text Book Programme						
Primary	62.2	59.8	60.9	60.1	13.0	59.6
Middle	55.1	59.7	57.1	41.6	15.2	51.0
Elementary	60.7	59.8	60.2	50.9	14.0	57.8
b) Teachers						
Number of Pupils per Teacher						
Primary	60	52	55	78	60	58
Middle	26	16	22	49	26	27
Percentage of Teachers with In-Service Training						
Primary	7.00	4.38	5.49	8.69	1.34	5.57
Middle	7.28	9.87	8.39	5.79	1.40	7.29
c) % of Weaker Sections in Total Enrolment						
Scheduled Caste Students						
Primary	17.0	18.3	17.7	15.7	11.1	17.1
Middle	15.1	14.9	15.1	14.4	13.4	14.7
Scheduled Tribe Students						
Primary	8.7	8.2	8.5	5.4	3.3	7.8
Middle	6.3	5.2	5.9	4.4	2.3	5.1

Source: Based on NCERT (1992).

Subject to this caveat, the available data shows that private schools provide tuition fee-free primary education to a very small proportion of students -- 8 per cent in rural areas and 15 per cent in urban areas. One might expect that most of these small number of students belong to state-aided private schools, as in many states private aided schools are not expected to charge tuition fee, as noted earlier, though some of these students may be in private unaided schools as well. Household expenditures on primary education are 2-3 times higher in private schools than in government schools. This is true for each household expenditure class. Tuition fee and examination fee *per reporting student* are only marginally higher in private schools than in government schools, though in both cases it is above Rs.1000, while other non-fee expenditure is much higher in private schools. This is not in conformity with other available evidence on private schools, which shows that fees, even specifically tuition fee, in private schools are several times higher than the fees in government schools (Panchamukhi, 1990; Aggarwal, 1991). Further surprisingly, according to the NSSO evidence, a smaller proportion of students report incurring of expenditure on primary education in private schools compared to government schools.[36] With respect to almost all aspects relating to private schools, rural urban differences are large. The percentage of students receiving tuition fee-free education in private schools is smaller in rural areas compared to urban areas and so is the case with respect to number of students getting exemption from payment of fees. In contrast to government schools, where a larger number of students in rural areas report incurring of expenditure on primary education, a smaller proportion of students in private schools in rural areas report incurring of expenditure on education, compared to children in private schools in urban areas.

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36 The data on expenditure *per reporting student* need further clarification, as mentioned earlier.

d) *Inter-State Variations*

With respect to all these aspects, inter-state variations are very large, as the coefficients of variation given in several tables indicate. Proportion of students getting free education in government schools varies between several states, and within a state between rural and urban areas, and between girls and boys. Only 24.9 per cent of the male students in urban areas in government schools in Maharashtra get free education, while 99.4 per cent of the girl students in rural Gujarat belongs to this category. Proportion of students getting partially or wholly exempted from payment of fees also varies significantly between different states and between different groups of population.

Even financial incentives are not equally distributed. While in West Bengal 0.1 per cent of the male students in primary schools in urban areas receive scholarships, it is 10.26 per cent among girl students in rural areas in Kerala. Similarly the amount of scholarship varies between a petty amount of Re.1 for girl students in urban schools in Jammu and Kashmir (and Rs.8 per annum for boys in rural schools in Maharashtra) and Rs.429 for girl students in urban Tamil Nadu.

With respect to provision of textbooks and stationery, hardly 0.1 per cent of students in some states (e.g., boys in urban Jammu and Kashmir) were benefited from it, while more than 80 per cent of the girls in rural Tamil Nadu received books. In several states the material incentives, viz., textbooks, noon-meals and transport facilities are provided to an insignificant proportion of students.

While state provision of resources, viz., scholarships, textbooks, noon meals etc., is not equally distributed, one cannot any how expect household expenditures on education to be equal between different states and groups of students. They also vary widely.

Thus no clear patterns emerge on inter-state variations with respect to several aspects discussed above. One cannot say that economically developed states behave in

a way consistently different from economically poorer states; or that educationally advanced states behave systematically differently from educationally backward states. All this also reflects the absence of any national (or even state) level norms regarding public expenditures, proportion of students to be provided a given incentive etc., thus producing large inter-state and inter-group inequalities. There is no indication that even if they are equal, they are equitable.

5 Summary and Conclusions

According to the Constitution of India, elementary education of eight years duration has to be provided free to all by 1960. This elementary education, considered as a basic need in many countries, and as a *minimum* need in India, has neither been compulsory in all the states in India, nor is it provided free to all. Despite significant quantitative expansion, the goal of universal elementary education still eludes the Indian society even after four and a half decades of planning in nearly a half a century old independent India. Household economic factors have been generally found to be the most important factors contributing to non-enrolment in, and dropout of children from schools. In this context, the provision of free education becomes particularly important.

Based on the valuable data base generated by the National Sample Survey Organisation on participation in, and household expenditures on education, the myth of free primary education has been exploded in this paper. The NSSO data produced a lot of surprising results. First, households spend large sums of money on acquiring primary education. Secondly, it has been found that a sizeable number of students do not receive primary education free, in contrast to the claims made by the government. Thirdly and more specifically, a large number of students pay tuition fee, examination fee and other fees even in government primary schools in India. Fourthly, the tuition fee per reporting student is unbelievably high: more than Rs.1000 in government primary schools in rural

and urban areas. Fifthly, the financial and material incentives provided by the government are available to a small fraction of students. Lastly, it has also been found that there are large scale inter-state and inter-group (by gender and by region -- rural and urban) variations with respect to several aspects relating to public provision of incentives and also to the levels of household expenditure on education in India. The factors that explain these variations are not probed in here. The paper should be viewed as a preliminary analysis of documenting empirical evidence on a variety of aspects relating to household expenditure on education. Many of the phenomena described here need further analysis and interpretation.

Some of the results reported here are so surprising that they might warrant the need for a thorough reverification of the original data collected by NSSO, particularly relating to the number and proportion of students receiving free primary education, and the extent of tuition fee in primary education, though limited earlier research also documents the prevalence of the fee phenomenon in government primary/elementary schools in India.[37]

To conclude, a few general observations following from the preceding analysis can be made as follows:

Given that economic factors are important in explaining enrolment/non-enrolment and retention/dropout in primary education in India, to achieve universalisation of elementary education, it is necessary that elementary education, if not the whole phase

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37 If the data are found correct, the difference between government claims and evidence provided by NSSO cannot be easily explained. The general tendency on the part of the households to over-report expenditures (and to under-report incomes) might not explain the very high levels of tuition fee paid in government primary schools, as documented here. It is hoped that the NSSO that is attempting to make a repeat survey (52nd Round) would yield data that might throw enough light on some of these aspects and to settle the differences.

of school education upto grade X as suggested by the Education Commission (1966), is provided at least fee-free to all. It would be highly desirable if elementary education can be made really totally free by providing free textbooks, learning materials, uniforms, noon-meals, etc., to all, and also scholarships in such a way that the need for household expenditure on elementary education does not arise.

Though no effectiveness of compulsory education act in the states could be found, legislation of the same, even if it is symbolic in nature, might provide important signals on the intention and seriousness of the government with regard to universalisation of elementary education.[38]

Large scale inter-state differences with respect to a variety of indicators stress the need for national uniform norms with respect to not only overall policies but also with respect to practices regarding a few important aspects such as rural-urban differentiation, gender differences and public-private school differentiation. One might not favour any differentiation by gender at least in primary and upper primary schools, though in general protective discrimination in favour of girls is promoted.

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38 The arguments against free and compulsion in primary education being put forth nowadays (e.g., that free education is expensive for the government, compulsion is difficult to enforce, free education would enhance irregularity of attendance, and the fee income could be spent on extending and improving schooling facilities) are not really new. They are the same as the ones made in the Imperial Legislative Assembly in British India when Gokhale proposed a resolution in favour of free compulsory education.

Table A.2: **Coefficients of Correlation Between Percentage of Children Receiving Incentives (1986-87) and Gross Enrolment Ratios (1993-94)/Dropout Rates (1989-90)**

	Rural	Urban	Rural	Urban
	Gross Enrolment Ratios		Dropout Rates	
Incentives				
Textbooks	0.8056***	0.7726***	0.0564	0.0913
Noon meals	0.6954***	0.6025***	-0.3507	-0.4346
Transport	0.0754	-0.2125	-0.5380**	-0.2462

Note: Same as in Table A.1.

Table A.3: **Coefficients of Correlation Between Household Expenditure per Student (1986-87) and Children (Age: 5-9) Attending Schools (1987-88)/ Percentage of Children Aged 6-14 Never Enrolled in Schools (1986-87)**

	Rural			Urban		
	Boys	Girls	Total	Boys	Girls	Total
a) Children Attending Schools						
	-0.1129	-0.0707	-0.0950	-0.4586*	-0.5262**	-0.5008**
b) Children Never Enrolled in Schools						
	-0.1202	0.1830	-0.0335	0.4926*	0.5382**	0.5391**

Note: Same as in Table A.1.

Table A.4: **Coefficients of Correlation Between Household Expenditure per Student (1986-87) and Gross Enrolment Ratio (Age: 6-11) (1993-94)/Dropout Rates (1989-90)**

	Rural	Urban
a) Gross Enrolment Ratio (overall)	-0.4500	-0.4686*
b) Dropout Rate (overall)	-0.0822	0.4302*

Note: Same as in Table A.1.

Table A.5: **Coefficients of Correlation between Institutional Recurring Expenditure and Household Expenditure per Student**

	All	Boys	Girls
Rural	-0.6235***	-0.5735**	-0.5928**
Urban	-0.5349**	-0.5509**	-0.5806**

Note: Same as in Table A.1.

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