

## Reaction Budget 2018

According to the Budget 2018-19, outlay on health, education and social protection is 1.38 lakh crore against estimated expenditure of Rs.1.22 lakh crore in 2017-18 .

In the Union Budget 2017-18, the outlay for the education sector was increased by 9.9 per cent. Of the total outlay of Rs 79,686 crore allocated last year for the education sector, Rs 46,356.25 crores was for schools and the rest for higher education. This figure was revised and as per the revised Estimate 2017-18 the Dept. of School Edu & Literacy received Rs. 47006.25 crores and Dept. of Higher Education got Rs 34862.46 crore i.e a total revised outlay of **Rs.81868.71** crores. While this looks impressive, the real picture is not quite as rosy because this year the total outlay on Education is **Rs.85010.29** crores (Rs. 50000 crores for school education and Rs 35010.29 crores for Higher Edu.) i.e **against 9.9 % last year it is only 6.68% increase this year.**

Consider this: India's overall allocation to this important sector in the last decade has hovered between 3.5-4 per cent of total expenditure. Last year, the figure was 3.7 per cent and the figure this year is not different. This need to grow to at least 6%, particularly when we compare India's spends on education which is the lowest among peers. Increasing the Cess on education sector government may reduce this gap and with the additional fund may be able to fulfil some of the envisaged goals. A closer look at the state of education in the country reveals further chinks in the education sector, and it is rural India which is bearing the brunt of it.

With one out of every 10 Indians currently in the age group of 14-18—amounting to nearly 125 million youth in all (Census 2011), what India needs is an employable and healthy work force. The foundations for which can only be higher education standards. Surely, the FM must have kept the two factors in this budget - focus on education and educators. That is way The Finance Minister said, this year's Budget will particularly focus on strengthening agriculture and rural economy, provision of good health care to economically less privileged, taking care of senior citizens, infrastructure creation and ***working with the States to provide more resources for improving the quality of education in the country.***

## The Highlights

- The Finance Minister proposed Swayam, an online education platform, or Massive Open Online Course (MOOC) to help people build skills and gain employment. It is a positive step but one remains certain till it is implemented.
- Govt. to increase digital intensity in education. Technology to be the biggest driver in improving quality of education
- Government's plan and focus to move from traditional black boards to digital boards is well appreciated and will definitely offer enhanced learning experience to students (Aims to move from black board to digital board schools by 2022 ). If implemented the promotion of digital platforms and use of technology will increase reach and ensure superior outcomes.
- Promoting learning based outcomes and research
- An 'Integrated BEd' program will be started soon, with teachers training as the main focus. We also welcome the emphasis to be given to training of untrained teachers
- To step up investments in research and related infrastructure in premier educational institutions, including health institutions, a major initiative named "Revitalising Infrastructure and Systems in Education (RISE) by 2022" with a total investment of Rs.1,00,000 crore in next four years has been announced.
- He said that a survey of more than 20 lakh children has been conducted to assess the status on the ground, which will help in devising a district-wise strategy for improving quality of education.
- Government to set up special Railway University at Vadodara, Gujarat
- Government will start two more full-fledged schools of Planning and Architecture, which will take the total number of such schools to 18 across in the country.
- The government plans "to treat education holistically with integration of class 2 to class 12"
- It's also very commendable about the plans if coming up with 24 new Medical colleges by upgrading already existing district hospitals. Also commendable is the plan of at least one medical college for every three parliamentary constituencies
- The benefit of lower corporate tax rate is curtailed by increase of cess rate from 3% to 4%. (Education cess increased to 4% from 3% to collect additional Rs 11,000 cr ) Also, long-term capital gains tax on equities at rate of 10% has been

proposed which would impact Infra/energy companies planning IPO. On the indirect tax front, Social Welfare Cess of 10% has been proposed on import of goods by replacing existing Education Cess of 3%.

- By 2022, every block with more than 50 per cent ST population and at least 20,000 tribal persons with special facilities for preserving local art and culture besides providing training in sports and skill development will have Ekalvya schools at par with Navodaya Vidyalayas - to provide the best quality education to the tribal children in their own environment.
- **PM research fellows:** Govt will identify 1000 B.Tech students each years and provide them to do Ph.Ds in IIT and IISc, while also teaching undergraduate students once a week at that time.
- No tax relief for higher education under the Goods and Services Tax (GST).
- Allocation on National Social Assistance Programme this year has been kept at Rs. 9975 crore.
- This budget has done nothing to provide better tax relief to parents for the school fees they pay for their children's education.
- On education Loan, one had hoped that the budget would do something to help students with education loans who are unable to get a job immediately after they complete their course. A limited moratorium period towards repayment of the loan would have been a huge relief.

But the real challenge of Indian education lies in a domain beyond the budget. The government needs to liberalise the archaic rules governing this sector. This is essential to attract private investment into education and enable the setting up of a very large number of schools and colleges - particularly in under-served parts of the country. Successive governments have failed to even scratch the surface of the real problem. I fear that if nothing is done to address this issue, the demographic dividend could turn into a demographic disaster - with a huge number of poorly educated youth unfit to get employment."