



PUBLIC EXPENDITURE ON SCHOOL EDUCATION IN ANDHRA PRADESH: POST BIFURCATION

Dr.T. Sudarsana Reddy

Associate Professor, Department of Economics, Yogi Vemana University, Kadapa, Andhra Pradesh.

ABSTRACT

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Provision of school education of a minimum quality to all children must be the basic principle for a welfare state. In order to achieve the goal of school education for all, government more emphasize on increase of access and equity. School education determines socio-economic and cultural development of the state. Hence, it is the necessary and sufficient conditions for increase the access of school education. The recent decade has witnessed huge transition in the field of school education in Andhra Pradesh. The United Andhra Pradesh state was bifurcated into Residuary state of Andhra Pradesh and Telangana in 2014. The Public finance of Andhra Pradesh illustrates dynamic changes after bifurcation. This paper aims at analyzing public expenditure on school education in Andhra Pradesh after bifurcation.

KEY WORDS: *Public Expenditure, School Education, Andhra Pradesh, Gross State Domestic Product, Revenue Expenditure, Capital Expenditure.*

1. INTRODUCTION

School education being a merit good, the role of government in financing it assumes great significance. When school education takes into consideration the provision of both private and social benefits, Andhra Pradesh government takes interest in providing education and thereby incurring public expenditure. Public expenditure on school education plays a crucial part in the progress of school education by creating educational infrastructure both physical and human. It also increases equity dimension in education by providing free education.

Public expenditure plays an important role in the development of society. Similarly expenditure on education plays a pivotal role in the development of education by creating educational infrastructure (both physical and human). It also increases equity dimension in education by providing free education up to the

secondary level for all the students irrespective of their caste, religion and economic status. Analysis of expenditure on education can be done for various purposes and one way is to assess the efficiency with which the allocated resources for education are being spent and how they can be improved.

The economic reforms have been implemented in India since 1991 as a part of the process of globalization. Similar to the implementation of reforms in India, the government of Andhra Pradesh also followed and implemented these reforms. In this process many social sectors are severely affected by the financial crunch of the state government. Hence, it is important to study the public expenditure on school education in Andhra Pradesh.

2. OBJECTIVES

- i) to analyse the public expenditure on school education in Andhra Pradesh after bifurcation of the state.
- ii) To examine the Percentage of Public Expenditure on School Education in GSDP and total budget expenditure.
- iii) To study the intra-sectoral allocation of Public Expenditure on School Education in Andhra Pradesh.

3. METHODOLOGY

Data Sources

This study is based on secondary data only. Secondary data is collected from Budget Documents (various years) Government of Andhra Pradesh.

Study Period

The present study covers data of residuary state of Andhra Pradesh during a time period between 2014-15 and 2024-25.

4. PUBLIC EXPENDITURE ON SCHOOL EDUCATION IN ANDHRA PRADESH

Andhra Pradesh state was bifurcated in 2014. The public expenditure on school education has been increasing in Andhra Pradesh during the last ten years. Public expenditure on school education increased from Rs 12,003 Crores in 2014-15 to 31464 Crores in 2024-25. Therefore, the public expenditure on school education

grew 2.6 times during the last ten years. (Table 1). Therefore, the government of Andhra Pradesh has been spending huge amount of money on school education with the hope that it would help accelerate economic growth and would make the state to benefit from the available opportunities and help in achieving equality of opportunities.

The public expenditure on school education as ratio of total expenditure on education has been fluctuating between 2014-15 and 2024-25. The percentage of public expenditure on school education to the total expenditure on education in Andhra Pradesh was 79.5 percent in 2014-15 and increased to 98.2 percent in 2024-25. However, after that, it has been declining and came to 77.4 percent in 2012-13. During the year of bifurcation of the state in 2014-15, this proportion was 79.5 percent but later on it has been increasing continuously year by year. It is found that the new state of Andhra Pradesh allocated high amount of budget to school education.

There are several reasons for the growth of public expenditure on school education in Andhra Pradesh during the last ten years. Firstly, the increasing population and growing awareness among people about education have led to the increase in the enrolment of students. This has resulted in the requirement of additional physical infrastructure and human resources. As a result, expenditure on school education particularly secondary education has increased.

Table 1: Public Expenditure on School Education in Andhra Pradesh (Rs in Crores)

Year	Total Expenditure on Education	Expenditure on School Education	Expenditure on School Education as a % in Total Education Expenditure
2014-15	15084.48	12,003.67	79.5
2015-16	17019.75	14,624.77	85.9
2016-17	17356.47	14,981.16	86.3
2017-18	19,653.55	15,942.11	81.1
2018-19	19,941.75	16,591.74	83.2
2019-20	26642.76	23067.38	86.6
2020-21	23935.29	21093.03	88.1
2021-22	25338.12	22575.04	89.1
2022-23	25559.48	22833.41	89.3
2023-24 RE	31363.93	28801.92	91.8
2024-25 BE	33898.04	31464.76	92.8

Source: 1. Budget documents for Various Years, Government of AP

2. Andhra Pradesh Statistical Abstract (Various Years).

Note: RE-Revised Estimates, BE-Budget Estimates

Secondly, increasing importance given to human resource development by successive governments at the state level is responsible for growth in the educational expenditure in the state. Thirdly, rapid increase in the salaries of the teachers and non-teaching staff and continuous rise in the prices contributed to the

continuous growth of expenditure on secondary education.

In Andhra Pradesh, between 2014-15 and 2024-25 the public expenditure on total education grew by 2.2 times. The expenditure on school education grew by 2.6 times.

It is found that the growth of public expenditure on school education is high compared to total expenditure on education. Interestingly, the Gross State Domestic

Product grew by 3 times but State total public expenditure grew by 2.6 times during the same period in Andhra Pradesh (Table 2).

Table 2: Gross State Domestic Product, State Public Expenditure and Expenditure on Education in Andhra Pradesh (Rs in Crores)

Year	Gross State Domestic Product	Total State Public Expenditure	Public Expenditure on Total Education	Public Expenditure on School Education
2014-15	532922.00	112067.00	15084.48	12,003.67
2015-16	603376.00	112216.00	17019.75	14,624.77
2016-17	695491.00	131358.97	17356.47	14,981.16
2017-18	803873.00	150147.28	19,653.55	15,942.11
2018-19	854260.30	178950.47	19,941.75	16,591.74
2019-20	966099.00	173701.00	26642.76	23067.38
2020-21	1014374.00	186551.45	23935.29	21093.03
2021-22	1201736.00	191594.66	25338.12	22575.04
2022-23	1317728.00	225853.60	25559.48	22833.41
2023-24	1449501.00	275276.27	31363.93	28801.92
2024-25	1589375.00	286389.27	33898.04	31464.76

Source: 1. Budget documents for various years, Government of AP;
2. A.P Statistical Abstract (various years)

5. RELATIVE PRIORITIES: INTER-SECTORAL ALLOCATION OF RESOURCES

The priority given to education in the framework of the total state economy can be analyzed in terms of a variety of indicators. Important ones are: Share of total education in Gross State Domestic Product, Share of school education in Gross State Domestic Product, Share of education and school education in total state public expenditure, etc.

5.1 Share of Education in Gross State Domestic Product

One of the most standard indicators of government efforts towards development of education is percent of state income on education and also school education. The analysis of data presented in Table 3 gives details such as state public expenditure as a percentage of Gross State Domestic Product, Expenditure on education as percentage of Gross State Domestic Product, expenditure on school education as a percentage of Gross State Domestic Product, etc. This analysis shows that the share of public expenditure on education in Gross State Domestic Product in Andhra Pradesh was 2.9 % in 2014-15 and has declined to 2.1 % in 2024-25. It also observed that the percentage of public expenditure on education to the State Gross Domestic Product was less than 4 percent throughout the period.

In respect of school education, while it formed around 2.2 percent and it declined to 1.9 percent during the same period (Table 3).

5.2 Share of Education in the State Budget

A more important gauge of state priority given to education is measured in terms of expenditure on education as a percentage share of total state public expenditure. This is more important because, the government has more direct control on public expenditure than on Gross State Domestic Product. It is observed that the share of public expenditure on education to the total state expenditure was about 13.5 percent in 2014-15. After that it has increased to 15.3 percent by 2019-20. However, this share is declined to 11.8 percent by 2024-25. It has been declining continuously during the past four years. Similarly, the public expenditure on school education to the total state public expenditure during 2014-15 formed 10.7 percent and increased to 13.3 percent in 2019-20. Thereafter, it declined to 10.9 percent by 2024-25.

It is observed that between 2014-15 and 2018-19, the expenditure on education as a percentage of state total public expenditure was about 13 to 15 percent whereas the share of school education to the total expenditure on education was only 10 to 13 percent. It implies that school education got top priority in the public

expenditure allocation. Further, during the period, wide and sometimes erratic fluctuations in share of public expenditure on school education. It is pertinent to note that the public expenditure on education as a share in the Gross State Domestic Product during the past three decades in Andhra Pradesh was less than the benchmark

6 percent which is recommended by various education committees, policy makers and researchers. Similarly, regarding the school education, it was also less than the benchmark of five percent which is recommended by the same.

Table 3: Percentage of Public Expenditure on School Education in Andhra Pradesh

Year	State Public Expenditure as a % of Gross State Domestic Product	Expenditure on Education as a % of Gross State Domestic Product	Expenditure on School Education as a % of GSDP	Total Expenditure on Education as a % of State Total Public Expenditure	Expenditure on School Education as a % of State Total Public Expenditure
2014-15	21.0	2.9	2.2	13.5	10.7
2015-16	18.6	2.9	2.4	15.1	13.0
2016-17	18.9	2.5	2.1	13.3	11.4
2017-18	18.6	2.6	2.0	13.7	11.0
2018-19	20.9	3.1	2.7	14.9	12.9
2019-20	17.9	2.8	2.4	15.3	13.3
2020-21	18.4	2.4	2.1	12.8	11.3
2021-22	15.9	2.1	1.9	13.2	11.8
2022-23	17.1	2.0	1.7	11.3	10.1
2023-24	19.0	2.2	1.9	11.4	10.5
2024-25	18.0	2.1	1.9	11.8	10.9

Source: Calculated from Table 2

6. INTRA-SECTORAL ALLOCATION OF PUBLIC EXPENDITURE ON EDUCATION

An important question is the pattern of intra-sectoral allocation of public expenditure on education. Of the total budget allocations to education, what have been the priorities given to different levels of education? Of the total public expenditure on education, substantial portion is devoted to school education in Andhra Pradesh. Looking at the relative priority accorded to different levels of education in the total state public expenditure on education during 2014-15 to 2024-25, the expenditure on different levels has been fluctuating (Table 4). Primary education is given top priority over the years followed by secondary education upto 2019-20. After that the proportion of secondary education is

higher than the primary education. After bifurcation of the state, 41-46 percent of the public expenditure on education is allocated to primary education during the period between 2014-15 and 2019-20. About 35-41 percent allocated to secondary education during the last ten years. The rest is allocated to higher and technical education. Of the total allocation for education, primary education obviously accounts for the most. The government has repeatedly emphasized the need for universalizing elementary education, which includes primary and upper primary levels of education. The commitment of the state government draws essentially from the constitutional directive. Andhra Pradesh government also accord high priority to elementary education. This is the main reason for more public expenditure allocated to school education in the state.

Table 4: Intra-Sectoral Allocation of Public Expenditure on School Education in A.P (%)

Year	Primary Education	Secondary Education	Higher & Technical Education	Total Expenditure on Education
2014-15	45.8	36.5	17.7	100 (15084.48)
2015-16	43.2	35.5	21.3	100 (17019.75)
2016-17	43.3	36.1	20.6	100 (17356.47)
2017-18	44.7	35.6	19.7	100 (19,653.55)
2018-19	41.2	41.0	17.8	100 (19,941.75)
2019-20	40.6	39.3	20.1	100 (26642.76)
2020-21	33.4	40.3	26.3	100 (23935.29)
2021-22	36.8	40.9	22.3	100 (25338.12)
2022-23	40.5	45.5	14.0	100 (25559.48)
2023-24	34.2	41.8	24.0	100 (31363.93)
2024-25	34.1	41.4	24.5	100 (33898.04)

Sources:1. Budget documents for various years, Government of AP;
 2. A.P Statistical Abstract (various years)

Note: Figures in the brackets indicate total expenditure on education

7. PLAN AND NON - PLAN EXPENDITURE ON SCHOOL EDUCATION

Government expenditure on education in general may be divided into plan and non-plan expenditure. Plan expenditure is generally incurred on the development of education including a marginal expansion of the system. Plan expenditures are meant for meeting development needs (new programmes, projects, schemes, new schools, new buildings, new teachers, etc.). The non-plan expenditures meet the maintenance expenditure. The latter is referred to as committed expenditure. It is regarded as committed liability of the government on the existing system that includes expenses on salaries, allowances, wages, maintenance of the existing assets in the schools and direction, supervision and administration etc.

In fact, non-plan expenditure forms the major chunk of expenditure on education. So all plan expenditures are transferred into non-plan account by the end of each Five-Year Plan. In Andhra Pradesh, the non-plan expenditure on school education forms above 90 percent of the total expenditure on education up to 2019-20 (Table 5). There after the proportion of plan expenditure increases. Thus as system expands, non-plan expenditure bulges rapidly. Presently a large bulk of the expenditure on school education in Andhra Pradesh is of non-plan category. While both plan and non-plan expenditures are important, it is to be noted that plan expenditures can set new directions for development. At the same time, the resource planners enjoy more

freedom or exercise more leverage with plan resources as they can be increased or cut without affecting the existing system than with non-plan resources as the latter are committed expenditures. For the same reason, one does not find a steady growth in plan expenditures on education as one finds in the case of non-plan expenditure. It is natural that as the system of education expands, the relative share of plan expenditure declines and the share of non-plan expenditure increases. But as long as the unfinished tasks are huge in terms of additional school buildings and classrooms to be constructed, additional teachers to be recruited, additional programmes to be launched for the improvement in quality or equity etc., in addition to programmes for expansion, the financial needs of the plan category are also important. Therefore, it would be necessary to see that plan expenditures are not subject to serious fluctuations every year and, instead, they increase steadily in real terms.

The plan and non-plan composition of expenditure in Andhra Pradesh, on school education suggests that resources are essentially used for the maintenance of the existing infrastructure. It is obvious from the Table 5 that non-plan expenditure has been more than 90 percent. Plan expenditure has been less than six percent in first five years. The plan expenditure was more during the recent years when compared with other years. Construction of school buildings under Naadu- Nedu programme on a large scale may be attributed to an increase in plan expenditure during the recent years.

Table 5: Plan and Non - plan Expenditure on School Education in Andhra Pradesh (%)

Year	Plan Expenditure	Non-Plan Expenditure	Total expenditure (Rs. in lakhs)
2014-15	6.53	93.47	100 (12003.67)
2015-16	7.29	92.71	100 (14624.77)
2016-17	7.91	92.09	100 (14981.16)
2017-18	8.40	91.60	100 (15942.11)
2018-19	8.42	91.58	100 (16591.74)
2019-20	9.23	90.77	100 (23067.38)
2020-21	12.35	87.65	100 (21093.03)
2021-22	15.40	84.6	100 (22575.04)
2022-23	18.21	81.79	100 (22833.41)
2023-24	18.35	81.65	100 (28801.92)
2024-25	18.00	82.00	100 (31464.76)

Source: Budget documents for various years, Government of Andhra Pradesh.

Note: Figures in brackets indicate the total expenditure on secondary education.

8. CONCLUSIONS

The public expenditure on school education has been increasing in Andhra Pradesh during the last 10 years. However, the public expenditure on school education as ratio of total expenditure on education has been fluctuating between 2014-15 and 2024-25. The percentage of public expenditure on school education to the total expenditure on education was 69 -82 percent during the above said period. It is found that the new state of Andhra Pradesh allocated higher proportion of expenditure (more than 80 %) to school education.

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