

The long wait for higher education investment

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The experience of East Asian countries shows that investments in physical and social infrastructure are necessary for the economic growth and development. Moreover along with the gains in literacy, technical education too was emphasized by most countries in East Asia and in the Organization for Economic Co-operation and Development (OECD) for stable growth (Stiglitz and Yusuf, 2001). In India the levels of tertiary education is lower as compared to East Asian countries. But Kerala has recognized this gap and conceptualized transformation into a knowledge based economy. One among the pre-conditions for successful transformation is the quality of higher education. It plays a crucial role in moulding experts for all sectors of the economy as mentioned by the Finance Minister of Kerala in his Budget speech. In this context it is important to have a look on how the Union Budget views higher education, especially because the deceleration of the economy pre-dated the COVID-19 pandemic induced devastation of the economy. As pointed out by the Fifth Kerala Public Expenditure Review Committee (2021,p.28) COVID-19 has many similarities with the 1918 flu as the GDP contraction has occurred at the back of an already decelerating economy since 2016-17.

As is well known the level of tertiary education in India today is low compared to that of the East Asian countries a few decades ago. What does this Budget offer to change this situation? In FY 2020-21, the budget allocation for higher education was Rs. 39,466.52 crore, whereas the revised estimate is Rs. 32,900 crore due to COVID-19. The 2021-22 budget has allocated Rs. 38,350.65 crore, which is Rs 5,450.65 crore more than the current year RE but less than the BE in 2020-21. Rashtriya Uchchar Shiksha Abhiyan (RUSA) has a budget provision of Rs. 3000 crore for the next FY 2021-22, in comparison to Rs. 300 crore in the current year.

Some new initiatives like opening of Bhartiya Bhasa University & Institute of Translation, Academic Bank of Credit, PM e-Vidya, Multidisciplinary Education and Research Improvement in Technical Education (MERITE) shall be implemented in line with the recent National Education Policy (NEP) recommendations. At present a token provision has been made in the BE of FY 2021-22 for all the above initiatives. Allocation for the National Apprenticeship Training Scheme (NATS), has been increased from Rs. 175 crore to Rs. 500 crore in next FY 2021-22 for providing post-education apprenticeship, training of graduates and diploma holders in Engineering.

An outlay of Rs. 50,000 crore over next five years for National Research Foundation (NRF) will give a major boost to Innovation and Research & Development. The allocation for the World Class Institutions has gone up from Rs 1,101 crore in 2020-21 RE to Rs 1,710 crore in 2021-22 BE which is 50 per cent more than that of the previous year. To promote enhanced academic collaboration with foreign higher educational institutions, it is proposed to put in place a regulatory mechanism to permit dual degrees, joint degrees, twinning arrangements and other such mechanisms.

Table 1: Allocation for the Major Departments (Rs in Cr)

Ministry/Department	Actual 2019-20	2020 – 21 BE	2020 -21 RE	2021-22 BE
Ministry of Education, Department of Higher Education	36916.37	39466.5	32900	38350.7
Ministry of Electronics and Information Technology	5651.97	6899.03	5550	9720.66
Ministry of Science and Technology, Department of Science and Technology	5407.03	6301.53	5000	6067.39
Ministry of Science and Technology, Department of Biotechnology	2358.77	2786.76	2300	3502.37

Source: Union Budget, 2021

Putting together the allocations under various heads, the message is that there is no large hike in the Budget for Higher Education. As is evident from Table 1, the allocations for Department of Higher Education and Department of Science and Technology are lower compared to the previous year's allocation. Only Electronics and Information Technology and

Department of Biotechnology have received higher allocations. But the commendable initiative is the large allocation for the World Class Institutions.

The allocations for higher education in the Union Budget may be contrasted with that of Kerala. Kerala Budget presented on 1 February 2021 proposed the setting up of 30 fully autonomous Inter University Centres and Schools within universities. Some of them are,

- Inter University Centre for Translational Research
- Inter University Centre for Digital Transformation
- Inter University Centre for Disaster Resilience
- Inter University Centre for Policy Studies and Research

A special financial aid of Rs.100 crore is earmarked for starting these centres of excellence. Rs.500 crore is allocated from Kerala Infrastructure Investment Fund Board (KIIFB) for creating infrastructure facilities of these new institutions. Contrast this with Rs.600 crore higher allocation in the Central Budget for World Class Institutions. If states have to wait for the Centre to setup 30 World Class Institutions each, then they will have to wait for at least 30 years!

In conclusion, the Central Budget lacks a vision for the tertiary education which is absolutely essential for long term growth recovery. Kerala seems to have realised this need and has allocated resources larger than the national government. This is really transformational and commendable. I wish the nation learns from Kerala.

Reference

Stiglitz, J. E., & Yusuf, S. (Eds.). (2001). Rethinking the East Asian Miracle. World Bank and Oxford University Press. Washington, DC

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