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Education Satellite Account, 2017–18, Himachal Pradesh

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Education Satellite Account, 2017-18 Himachal Pradesh

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NCAER India Centre, 11 Indraprastha Estate, New Delhi 110002. INDIA.

Study Team

Project Leader: *Dr Poonam Munjal*
Research Team: *Mr K. A. Siddiqui, Mr Asrar Alam, Ms Gargi Pal, Ms Sonal Jain*
Secretarial Assistance: *Ms Shashi Singh*
Editor: *Ms Mini Narayanan*

Published by
Professor Anil K. Sharma
Secretary and Operations Director
National Council of Applied Economic Research
NCAER India Centre
11, Indraprastha Estate, New Delhi–110 002
Tel: +91-11-2345 2657, 6120 2698
aksharma@ncaer.org
www.ncaer.org

Publications Coordinator
Jagbir Singh Punia

Foreword

Education Satellite Account typically presents the financial flows within the domain of education, and is organised into a set of activities and products across various levels of education. These financial flows are presented for the two types of economic agents, that is, financing units and producing units. The Education Satellite Account, hence, provides a report card on the financial health of education and is instrumental in policy-making. It offers answers to questions on whether the resources allocated in education are being equitably and effectively distributed. It enables the policy-makers to allocate funds to the disadvantaged groups if there is disparity in the distribution of resources.

It is in this context that the present study, undertaken by the National Council of Applied Economic Research (NCAER) to prepare the first Education Satellite Account for Himachal Pradesh, assumes great significance. Based on the methodology delineated by the United Nations Educational, Scientific and Cultural Organization (UNESCO), this study adopts the internationally accepted framework of ESA tables and accounts.

I take this opportunity to thank Mr Prabodh Saxena, IAS, Additional Chief Secretary (Finance, Personnel, Planning, Economic and Statistics) and Mr Akshay Sood, IAS, Secretary (Finance, Planning, Economics and Statistics, Cooperation, Housing), Government of Himachal Pradesh for initiating this important study. In the same vein, I express my gratitude to Dr Vinod Rana, Economic Adviser, Department of Economics and Statistics, Government of Himachal Pradesh, for the valuable insights and constant cooperation he offered to the NCAER team through the course of this study. I also wish to thank Dr Anju Sharma, OSD, Directorate of Higher Education, Government of Himachal Pradesh for her useful inputs and suggestions. Besides, on the behalf of the NCAER team, I wish to thank all the officials of Department of Economics and Statistics, Shimla and its district offices for actively participating in the Capacity Building sessions organized by NCAER as part of the study. The report benefitted immensely from their important inputs.

I express my gratitude to all the members of the NCAER study team, including Dr Poonam Munjal, Team Leader; Mr. Asrar Alam, Senior Research Analyst; and Ms. Gargi Pal, Ms. Sonal Jain, Research Analysts, for their efforts in completing the study amidst the challenge of the pandemic in the country. I hope that the study will provide useful insights to the policy makers in the education sector and will also prove to be a useful contribution to the literature on education for the State of Himachal Pradesh, in particular, and the country, as a whole.

New Delhi
October, 2021

Dr Poonam Gupta
Director General, NCAER

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Executive Summary

I. Introduction

Education has been the most critical aspect of nation-building. Education boosts economic growth, builds human resources, reduces poverty and increases income. United Nations Sustainable Goals[1] on education (number 4), which aims to "Ensure inclusive and equitable quality education and promote life-long learning opportunities for all" and also towards the "Education 2030 Framework for Action", provides a set of targets to be followed by member countries to provide universal education by 2030. Education has a catalysing impact on every other sector in the economy by providing a skilled and knowledgeable workforce which in turn boosts productivity and efficiency.

In making strategic investment policies, a comprehensive knowledge of the sector is very important. However, the problem arises due to the paucity of data and insufficient data collection system. A complete picture of the financing of the sector is not possible only by looking at budget statements or education surveys. Realizing the importance of understanding financing of education, the government of Himachal Pradesh has decided to prepare the state's first ever Education Satellite Account (ESA).

II. The Education Satellite Account - Methodology

The Education Satellite Account is an accounting framework designed to address the issues in education domain by organizing the related multiple data from different sources. The education account or ESA provides a framework to compile data on education financing in an economy and helps in gaining more insight into education. ESAs aim to provide the financial data for all levels of education, cover all sources of finances and data for types of educational providers in a systematic and comprehensible manner by using a structured methodology.

The ESA also identifies two types of economic agents which undergo the economic transactions in this domain. These agents are financing units and producing units. The ESA brings out the flow of money from (or between) the financing units to the producing units, flowing further to the activities carried out by the producing units through the various levels of education. The ultimate beneficiary of the education system is the student.

The broad objective of this report is to prepare ESA for Himachal Pradesh for the year 2017-18; and to develop the capacity of the DES officials for preparation of Education Satellite Account of the state.

[1] UN's **Sustainable Development Goals** are a set of 17 global goals set by the UN's general assembly as part of post 2015 development agenda for the year 2030. The development agenda was adopted by the 193 UN's general assembly member countries on 25 September 2015 titled "Transforming our world: the 2030 Agenda for Sustainable Development".

III. State Profile

The state's economic growth, in terms of year-on-year growth in Gross State Domestic Product (GSDP), has been faster than the national growth for most of the years since the inception of new GDP series, 2011–12. The estimates of GSDP growth for 2019–20 is 4.9 per cent, higher than the national growth of 4.0 per cent. In 2020–21, when India's GDP suffered a loss of 8.0 per cent resulting from the pandemic and several lockdown restrictions, Himachal Pradesh's GSDP fell by a lower rate of 6.2 per cent.

The state has a road network of 28,208 kilometres, including eight National Highways (NH) that constitutes 1,234 kilometres and 19 State Highways with the total length of 1,625 kilometres. Some roads are closed during winter and monsoon seasons due to snow and landslides. It has three domestic airports, namely Gaggal airport in Kangra district, Bhuntar airport in Kullu District, and Shimla airport in Shimla district.

Some of the key education related characteristics of the state are as follows:

- According to National Sample Survey Office (NSSO) on "Household Social Consumption: Education", which was conducted as its 75th round of survey during 2017–18, overall literacy rate in Himachal Pradesh improved to 86.6 per cent in 2017-18 from 82.8 per cent in 2011.
- Of the total 3.23 million persons in Himachal Pradesh, in the age-group 3 to 35 years, 94.5 per cent enrolled in an educational institution but only 52.6 per cent of the population of age 3 to 35 years, were "currently attending" the institution they had enrolled in.
- In the state, persons pursuing primary level of education attended either government-run institution (55.3 per cent) or private unaided (38.6 per cent). Similar is the case with "postgraduate and above" level of education, where more than 80 per cent attended government institution
- Overall, out of 22,387 schools in Himachal Pradesh, as per U-DISE data for 2017–18, 18,264 schools (or 81.6 per cent) are government schools, and the remaining 4123 are private schools.
- The total number of teachers in Himachal Pradesh schools were 1,34,274 in 2017-18 with 99855 in Elementary level of education and 34392 in secondary/senior secondary level of education. About 6370 teachers were teaching in higher educational colleges/ universities (AISHE-2017–18).
- The average pupil teacher ratio at elementary school level is 9 and 15 at secondary/senior secondary level.

IV. Key Findings of the study

IV.1. General Government Expenditure

- The state's total expenditure on education (taking both revenue and capital accounts), at Rs. 6,423.60 crore, is 18.45 per cent of total state government exchequer.

- In terms of per cent to State Gross Domestic Product (GSDP), the education expenditure works out to be 4.6 per cent for 2017–18.
- The share of revenue or recurring expenditure in total education expenditure is very high at 94.66 per cent.
- The compilation of the government expenditure on education from different sources suggests that the state's maximum expenditure is incurred on elementary education. With largest share of 54.7 per cent in number of students enrolled in all education categories, the share of expenditure allocated to this level of education is 46.4 per cent.

Government Expenditure by producing units

- Of the total revenue expenditure, only 1.78 per cent was spent on providing assistance to the private institutions in the state
- The percentage distribution of total expenditure by all types of producing units and levels of education reveal that the highest share of government expenditure, at 48.7 per cent, is towards the elementary level of education among the public sector units. The share keeps on decreasing as the levels increase, 34.27 per cent in secondary education and just 14.08 per cent in tertiary level.

- The per-student expenditure for public sector is also the highest in the case of elementary education with Rs 63,350 spending on each child for developing their base foundation. The per-student expenditure shows a decreasing trend as we go up the educational level. However, the same shows an increasing trend in the case of private units, indicating that government's focus on higher levels of education is towards providing assistance to private institutions.

- While the expenditure incurred on public technical education is only 0.93 per cent of total government expenditure on education, but due to low enrolment rate in this level, the per-student expenditure works out to be significant at Rs. 19,227.

Government Expenditure by activities

- At an aggregate level, staff cost accounts for 86.9 per cent of total expenditure. Goods and services or the recurrent expenditure accounts for another 5.36 per cent
- The share of staff cost is the highest (more than 85 per cent) for both elementary and secondary education.
- Goods and services, which also includes other recurrent expenditure, is around 17.67 per cent in the case of others which majorly includes expenditure on sainik schools, NCC camps, G.I.A to sports association, environmental orientation to school and State council of Education and on the other hand it just 3.23 per cent, 6.69 per cent and 8.79 per cent for elementary, secondary and tertiary education respectively.

IV.2. Private Expenditure by Households

- The households' expenditure on education is estimated at Rs. 3730.8 crore. Total state household annual consumption expenditure is estimated at Rs. 70,209 crore. Hence, households spent 5.3 per cent of their total expenditure on education.
- For the school education, the proportion of students enrolled is higher than the proportion of expenditure incurred therein, for each level of education. For levels of education beyond "senior secondary", the proportion of students enrolled is much less than the proportion of expenditure incurred.
- The pattern of level wise per-student education expenses reveals that education expenses increase with the increase in level of education. It stands at Rs. 18583 for pre-primary education and from Rs. 13,730 for primary education, the per-student per-annum expenditure increases about one and a half times to Rs. 20, 879 in the highest level of school education, that is, senior secondary.
- It further increases to Rs. 39,023 for tertiary education, which is close to three times the lowest level of formal school education. The technical education is the most expensive, at Rs. 77,789 per student per annum. This notably, is 5.7 times the expenditure incurred on primary level of education and twice that incurred on tertiary education.
- The increasing cost of education partly explains the decreasing Gross Enrolment Ratios (GAR). The GAR for primary level of education stands at 104.5 per cent (Source: U-DISE), which decreases to 86 per cent for senior secondary level and to 37.9 per cent for higher education (Source: AISHE).

Household Expenditure by producing units

- The low proportion of enrolment as well as household expenditure in the public units for pre-primary education indicates that this level of education is mostly provided by private units.
- The share of students enrolled in public units is high at 55.3 per cent in the case of primary education and a little low at 52.4 per cent in the case of middle education. Thereafter, the share of students in public units keeps on increasing till tertiary level. For technical level of education, the share of students enrolled in public units is a little less (46.9 per cent) than that enrolled in private units.
- At aggregate level, while the enrolment is higher in public units but the share of household education expenditure in these units is only 27.1 per cent. This points towards the higher cost of education when attained from private units.
- Overall, 60.4 per cent of total students were enrolled in government institutions, while the rest of 39.6 per cent joined the private institutions.
- At tertiary level of education, the proportion of students enrolled in public units is significantly high at 90 per cent.
- Expenditure incurred is also high in public units, at tertiary level (65.9 per cent).
- The distribution of households' expenditure in each of the producing units by levels of education reveals that the highest proportion of households' expenditure incurred in public units is on the attainment of tertiary education . This proportion stands at 46.6 per

cent, where the corresponding level of students enrolled stands only at 16.2 per cent of the total enrolled in public units .

- Among private units, most of the household expenditure is incurred in the attainment of school-level education.

Household Expenditure by activities

- Households spent a total of Rs. 2025.5 crore on course fee for attaining education from a private institute, which is 5 times higher than that charged by the government-run education system.
- In the case of enrolment in private institutes, maximum expenditure is incurred on course fees, its share being 74.4 per cent in total expenditure.
- On the other hand, in the case of enrolment in public institutes, course fee accounts for only 39.6 per cent, at aggregate level, with 60.4 per cent of the expenditure incurred on goods and services outside the educational institution. For primary and middle level, course fee accounts for just 8.2 per cent in public institutes, indicating highly subsidized education at lower levels of education, in order to attain 100 per cent enrolment.

IV.3. Other Private Expenditure

- The expenditure incurred by private producing units, which also represents the expenditure incurred by private financing units (households and others), is estimated at Rs. 2345.34 crore. .
- The private schools spend 41.0 per cent of their total expenditure on their primary level of education while the students enrolled in this level constitute 44.3 per cent of total enrolled in schools
- The per-student expenditure on primary level is Rs. 32,357, which is even higher than the middle (Rs. 22,770) and senior level (29,007). This could be because of the provision of better infrastructure to attract more students at the entry level itself. The per-student expenditure shoots up to Rs. 83,362 in the case of tertiary level and Rs. 1.05 lakh in the case of technical level.
- The average per-student expenditure, taking all levels together, is estimated at Rs. 34,960.

IV.4. Total Education Expenditure

- This total expenditure on education works out to be 9.03 per cent of the state GDP. This is impressive as according to the National Education Policy - 2020, public sector spending on education is targeted to be 6 per cent of GDP, at national level.
- The distribution by financing units reveals that the majority, at 51.4 per cent, is on account of general government expenditure; private households contribute another 29.8 per cent; and the other private entities account for the remaining 18.8 per cent

- The school levels of education receive a total of 82.3 per cent of total expenditure from all the financing units, put together. Higher education, that is, tertiary and technical, account for 16.6 per cent of the total expenditure.
- The distribution expenditure by activities shows that staff remuneration (both teaching and non-teaching taken together) accounts for a significant 70 per cent of total education expenditure. The payments made outside the educational institution, but related to education, accounts for another 13.2 per cent

I. Introduction

I.1. Context of the Study

"*Give a man a fish and he will eat for a day. Teach a man to fish and he will eat for a lifetime.*"
-Lao Tzu

Education in every sense is a fundamental factor for the overall development of a person. It raises people's productivity, creativity and promotes entrepreneurship and technological advances. In addition, it plays a very crucial role in securing economic and social progress and improving income distribution.

The concept of Education Satellite Account (ESA) comes from the idea of estimating the value of human knowledge and abilities as an asset, through the Human Capital Satellite Account. The Taskforce on Measuring Human Capital was established by Conference of European Statisticians (CES) in 2013 and it was realized that the estimates of human capital can be initiated by developing a satellite account on education and training.

Education Satellite Account is a new concept for India and is not common in international context as well. According to the System of National Accounts (SNA, 2008), adopted by the United Nations Statistical Commission (UNSC):

"The main reason for developing a satellite account is to encompass all the detail for all sectors of interest as part of the standard system would simply overburden it and possibly distract attention from the main features of the accounts as a whole. Many elements shown in a satellite account are invisible in the central accounts. Either they are explicitly estimated in the making of the central accounts, but they are merged for presentation in more aggregated figures, or they are only implicit components of transactions which are estimated globally."

This account extends the production boundary of the SNA only slightly by recognising the output from the internal expenditures on education and training by employers. As the objective of such a satellite account is also to distinguish and provide breakdowns of the various expenditures, including the identification of the financing arrangements for these expenditures along with estimate of the total expenditure on education and training.

The ESA also helps in monitoring the progress towards the Sustainable Development Goal Number 4 which aims to "Ensure inclusive and equitable quality education and promote life-long learning opportunities for all" and also towards the "Education 2030 Framework for Action",

which serves as the overall guiding framework for the implementation of the Education 2030 agenda.

Realizing the importance of education in the economy, the Government of Himachal Pradesh has decided to prepare its first ever Education Satellite Account.

I.2. Education Satellite Account or Education Account

Education enriches people's understanding of themselves and world. It improves the quality of their lives and leads individuals and society to broad social benefits. India has the largest youth population in the world and is expected to reap the benefit of demographic dividend[2] till 2055. This provides a massive opportunity for India, especially if it focuses on the quality, strives for excellence and expands opportunities based on efficiency and equity, to reap the benefits of this period. Education has been the most critical aspect of nation-building. Education boosts economic growth, builds human resources, reduces poverty and increases income. United Nations Sustainable Goals[3] on education (number 4) provides a set of targets to be followed by member countries to provide universal education by 2030. Education has a catalysing impact on every other sector in the economy by providing a skilled and knowledgeable workforce which in turn boosts productivity and efficiency. It is the best investment any country could make as it shapes the next generation in keeping with the goals of sustainable development. Education can especially have a multiplier effect if it is provided to girls as it can ensure that these girls have a healthier lifestyle, earn more income, their fertility rate is lower leading to robust menstrual health and can provide better health care for their whole family.

The Education account or Education Satellite Account (ESA) comes into frame to provide data for education financing in a country and is a type of satellite account to gain more insight into education. ESA includes all the sources of education most importantly Households and External Sources. The National Education Account aims to answer the following questions:

[2] **Demographic Dividend** is a change in structure of population and the economic benefits that can occur when the country's working age population (15-64 years) exceed the non-working population (< 14 years and> 65 years) due to declining mortality rates and a proportionately younger population.

[3] UN's **Sustainable Development Goals** are a set of 17 global goals set by the UN's general assembly as part of post 2015 development agenda for the year 2030. The development agenda was adopted by the 193 UN's general assembly member countries on 25 September 2015 titled "Transforming our world: the 2030 Agenda for Sustainable Development".

- Who is funding education?
- How much does education cost at each level?
- What is the average financial support and cost per child?
- What are the differences in education funding at different levels?
- What are the educational providers spending on?

I.3. Relevance of ESAs

The purpose of ESA is to provide an overview of all financial flows by processing data using a common classified framework, so that it can be presented in a consolidated manner, while complementing other statistical data and information like human resources, enrolment and infrastructure.

Many countries have taken initiatives to deliver quality education to its masses but most of the time very limited data are available on the education sector. ESAs aim to provide the financial data for all levels of education, cover all sources of finances and data for types of educational providers in a systematic and comprehensible manner by using a structured methodology.

The key characteristics of an ESA are:

- It provides a report card on the financial health of education and is instrumental in policymaking.
- It presents the gaps, mismanagement and funding mechanism in the education sector.
- It can answer whether the resources allocated in education are being distributed equitably in an effective manner.
- If there is disparity in distribution of resources, it helps in identifying the groups which are disadvantaged so that the policy makers can allocate funds accordingly, hence improving learning outcomes.

ESAs are comparable among different countries as it classifies each dimension using internationally accepted frameworks and definitions while also providing flexibility as each country can modify the ESAs to reflect their national realities. Economic transactions are

classified according to the system of national accounts[4] and Government Finance Statistics Manual[5] while the levels of education are prepared according to the International Standard Classification of Educational Programme[6] (ISCED) and various national programmes of the country. This flexibility allows for international comparison of education systems, global monitoring by world institutions and allows economies to gain some perspective to develop an action plan to improve their education sector.

I.4. History of Education Account

Widely known as National Education Accounts (NEA), these were first prepared by France around 1974 and continued until 2013. France's NEA was institutionalized and closely followed the pattern of National accounts. At the international level UNESCO[7] through its three institutes IIEP, UIS, and IIEP Pôle de Dakar have been instrumental in providing technical support to many countries in preparation for National Education Accounts. Recently Global Partnership for Education[8] (GPE) which is a platform for providing global aid to education worked with UIS[9],

[4] The **System of National Accounts** 2008, updating the 1993 SNA, is the internationally agreed standard set of recommendations on how to compile measures of economic activity. The SNA describes a coherent, consistent and integrated set of macroeconomic accounts in the context of a set of internationally agreed concepts, definitions, classifications and accounting rules.

[5] The **Government Finance Statistics Manual** 2014 (GFSM 2014),[1] and it predecessors are the internationally recognized statistical reporting framework, aimed at helping national authorities to strengthen their capacity to formulate fiscal policy and monitor fiscal developments. The GFSM 2014 supports the balance sheet approach to analysing economic policy by bringing together stocks and flows in a transparent and consistent framework.

[6] **ISCED 2011** is the reference international classification for organizing education programmes and related qualifications by levels and fields prepared by UNESCO. The ISCED 2011 classification was adopted by the UNESCO General Conference at its 36th session in November 2011. Initially developed by UNESCO in the 1970s, and first revised in 1997, the ISCED classification serves as an instrument to compile and present education statistics both nationally and internationally. The framework is occasionally updated in order to better capture new developments in education systems worldwide.

[7] **United Nations Educational, Scientific and Cultural Organization** (UNESCO) is a specialized agency of the United Nations. Its constitution was adopted by 20 countries at the London Conference in November 1945 and entered into effect on 4 November 1946. It currently has 195 member countries and 8 associate members with its headquarters in Paris, France.

[8] **Global Partnership for Education (GPE)** formed in 2002 is an international organization that aims to provide worldwide quality educational opportunities to low and middle income developing countries. It currently has 65 member countries and is a multi-stakeholder partnership and funding platform solely dedicated to providing education to children in developing countries. It works with developing countries, international donors, organizations, civil society, teacher's organizations, the private sector and foundations. It has a global vision to provide universal education to all children by 2030.

[9] **The UNESCO Institute for Statistics** (UIS) is the statistical office of UNESCO and is the UN depository for global statistics in the fields of education, science and technology, culture and communication. The UIS was established in 1999. It was created to improve UNESCO's statistical programme and to develop and deliver the *timely, accurate and policy-relevant statistics needed in today's increasingly complex and rapidly changing social, political and economic environments. The UIS is based in Montreal, Canada.*

IIEP[10] and IIEP pole de Dakar[11] to prepare NEAs for seven of their partner countries from 2013–16. These three institutes provided the resources required for developing methodologies for data collection, reporting and production to prepare quality finance data apt for comparison with different countries.

The countries were:

- Vietnam
- Nepal
- Uganda
- Senegal
- Guinée
- Lao PDR
- Côte d'Ivoire

UNESCO International Institute for Education Planning too prepared NEAs for five countries, namely, Kenya, Madagascar, Dominican Republic, Benin, and Mauritania by modifying some of the classifications and scope of the domain of France's NEAs. Attempts were also made by Benin to set up regional NEAs for its states at the school level.

There were a lot of national initiatives taken by countries using their own resources to prepare NEAs (Table I.1). Thailand is one of the most recent countries to prepare its NEA in 2014 covering the years of 2008–10 using the methodology of national health accounts. This project was funded by Quality Learning Foundation, a public organization under the Prime minister's office that was supervised by a group of researchers from Thammasat University and the University of Thai Chamber of Commerce.

[10] ***International Institute for Educational Planning (IIEP)*** *is a capacity development institute that specializes in educational policy, planning and management. Its mission is to strengthen the capacity of countries to plan and manage their education systems in order to reach national and international development goals. IIEP develops its sustainable capacity through training, research, technical assistance, networking, and information sharing.*

[11] ***IIEP pole de Dakar*** *is a platform for expertise in education policy analysis. The Pôle works with ministries in charge of education and offers technical expertise to all African countries. The services offered by the Pôle de Dakar are organized upon request from governments or development partners as part of an overall approach to national capacity building. It was founded in 2001 to contribute to UNESCO's support for the development of effective, feasible, equitable and endogenous education policies in Africa.*

Table I. 1: Countries with National Education Account

Country	Years Covered
Côte d'Ivoire	2006-15
Guinée	2006-15
Lao PDR	2009-14
Nepal	2009-15
Senegal	2009-14
Uganda	2008-14
Vietnam	2009-13
Zimbabwe	2012-14
Thailand	2008-13
France*	1974-2013
Turkey	2001-02
Benin	1993-96
Philippines	1991-98
Morocco	2003-04
Kenya	2006-10
Madagascar	1990-95
Mauritania	1995-99
Dominican Republic	1996-2005
El Salvador	2006-09
Nigeria (Regional/State Level NEA)	
Kano	School year 2005-06
Zamfara	School year 2006-07
Bauchi	School year 2010-11 to 2011-12
Sokoto	School year 2010-11 to 2011-12

Philippines used the methodology of National education expenditure accounts (NEXA) in 2001 to cover the years from 1991–98. This initiative was taken by the National Statistical Cooperation Board, now part of the Philippines Statistics Authority, for preparing detailed information on education financing in the Philippines.

Morocco, Nigeria and El Salvador took assistance from the United States Agency for International Development, RTI International and other creative associations to prepare their NEAs. The exercise of setting up an NEA has not been renewed in the featured countries except in France where NEAs are institutionalized. NEA's preparation is a technically complex process and it is difficult to reproduce it without external support. The expertise available at international and national levels is limited to a small number of institutions, and one objective of this methodology is to disseminate the methods on a larger scale. The difficulty of mobilizing a large amount of information from a wide range of sources represents an important factor in the development of NEAs. Limited data coverage due to lack of well-defined and common methodologies makes it very difficult to mobilize data on households, private providers and external funding, as well as on income and expenditures at school level.

I.5. Experience of Other Countries

Vietnam began its NEA exercise in 2013 partnering with UNESCO institute of statistics covering the years 2009–13. It based its NEA by considering only two out of three sources of education funding namely government and households. Vietnam's main study was focused on household expenditure and it used actual expenditure data to prepare its NEA. Although Vietnam did not produce a complete set of NEAs but followed the classifications and framework of NEAs thus leaving scope for preparation of a complete NEA. Vietnam's NEA used only accessible sources of finance thus it could not cover external contribution to education financing due to inconsistent data sources, limited data coverage and availability of sources in different formats and classifications.

Vietnam's NEA report covered expenditure from public and private providers of education; expenditure from all ministries and departments funding education; expenditure for all levels of education ranging from preprimary to higher education including vocational education; and expenditure on education and training by central and local governments.

The key findings suggest that Vietnam is one of the countries that spend considerably on education and the government expenditure on education has been rising especially after 2012 when it showcased a massive rise in education expenditure. Vietnam education sector follows a decentralized pattern thus most of the expenditure on preprimary, primary and upper secondary levels of education are allocated by the local governments making them the highest contributor to education in Vietnam.

Uganda was one of the countries of the GPE project that partnered with UIS, IIEP and IIEP Pôle de Dakar to prepare a comprehensive NEA that includes all sources of finance covering the years 2008–14. Uganda's NEA was based on the same methodology as Vietnam using internationally accepted system of accounts, classifications and definitions. Government expenditure in Uganda has been steadily increasing since 2009–10. Households emerged as the largest contributors to education financing in Uganda providing more than half of the total education expenditure.

The Ugandan government is unique from other countries in its effort to spend a higher proportion (7%) on technical and vocational education and training (TVET) and its public institutions receive a vast majority of funding for TVET. Preprimary education funding in Uganda is entirely through private sources.

Nepal was one of the two partner countries of the GPE project that partnered with UIS, IIEP and IIEP Pôle de Dakar to prepare a comprehensive NEA that includes all sources of finance covering the years 2009–15. Nepalese education account had three main sources of financing namely government, households and external sources. Households contributed half of the education expenditure in Nepal and combined with the government covered 90 per cent of education expenditure. Unlike Vietnam and Uganda which follow a decentralized funding pattern, most of the government funding is financed by the ministry of education along with local and provincial governments. The government spending contributes to the basic primary level of education and

the share of government spending declines with an increase in the level of education. Private institutions and households bear most of the expenses at higher and tertiary levels of education.

Lao PDR prepared its NEA report with IIEP covering the years 2009–14 focusing its study on public and external sources of finance while acknowledging the presence of community and faith-based organisations, households and private organisations. Public sources of finance constituted more than two-thirds of total education expenditure along with some internally generated sources of funding. The annual public expenditure has been increasing consistently reflecting Lao's increasing commitment to education. LAO PDR similar to Uganda and Vietnam decentralized its funding to the Provincial Education and Sports Service (PESS) that contributed to almost 82 per cent of education expenditure while the education and sports ministry were responsible for the formulation and implementation of the national budget. Primary education remained the top priority for the country and received the lion's share of government expenditure while non-formal education received the least funding along with vocational, tertiary and preprimary educational levels.

Turkey in association with World Bank conducted its NEA exercise in 2004–05 covering the year 2001–02, closely following the methodology of national health accounts (NHA). Turkey spends almost 7 per cent of its GDP on education mostly financed by government through its ministry of national education (MONE), which is a part of the central government, followed closely by private sources dominated by households.

In the present study, the education account for the state of Himachal Pradesh is prepared on similar lines as done in the countries listed above, following the UNESCO's "Methodology of national education accounts", to the best possible extent.

I.6. Objectives of the Study

The broad objectives of the study are twofold:

- To prepare the ESA for Himachal Pradesh for the year 2017–18.
- To develop the capacity of the DES officials for preparation of the ESA of the state.

I.7. Structure of the Report

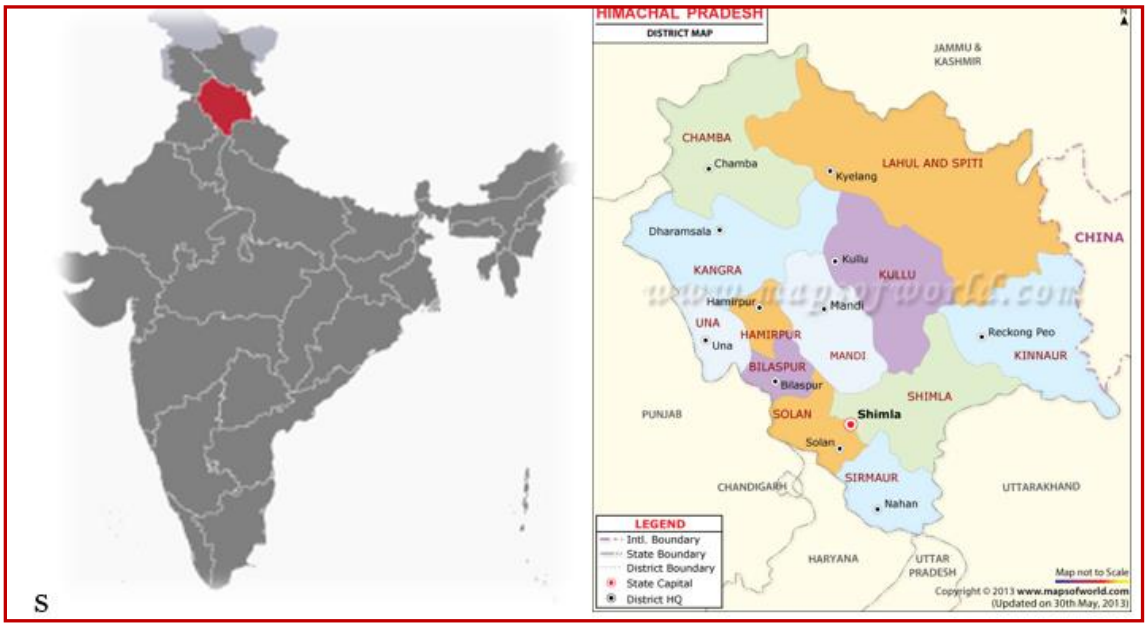
The report is structured as follows. This chapter presented the context of the study, brief note on Education Satellite Account, its relevance to the policy makers, literature review and broad objectives of the study. Chapter II provides the demographic, economic and infrastructural profile of the state. Chapter III gives the state education profile covering the basic educational characteristics and also the physical educational infrastructure in the state. Chapter IV presents the key concepts and definitions which are used in preparing the state ESA. Chapter V provides the methodological details of ESA, along with some key findings from the primary as well as secondary data sources. Chapter VI presents the ESA tables and accounts in detail.

II. Himachal Pradesh: the state profile

The state has derived its name from the great Himalayan Ranges and is also known as the "Land of Snowy Mountains." Himachal Pradesh is home to scenic mountain towns and resorts situated in the northern part of India among the western Himalayas. Host to the Dalai Lama, this snow-laden province has a strong Tibetan presence which can be seen very prominently in Tibetan New Year celebrations.

On 25th January 1971, Himachal Pradesh was made a full-fledged State. Himachal Pradesh is bounded by the state of Jammu & Kashmir to the North, Punjab to the West, and Haryana to the South, Uttarakhand to the South-East and by the Tibet Autonomous Region of China to the East (Figure II.1). It offers a multi-textured display of lofty snow-clad mountains, deep gorges, thickly forested valleys, large lakes, terraced fields, and cascading streams. Shimla is the capital of the state.

Figure II. 1: Map of Himachal Pradesh



Source: District map of Himachal Pradesh (mapsofindia.com)

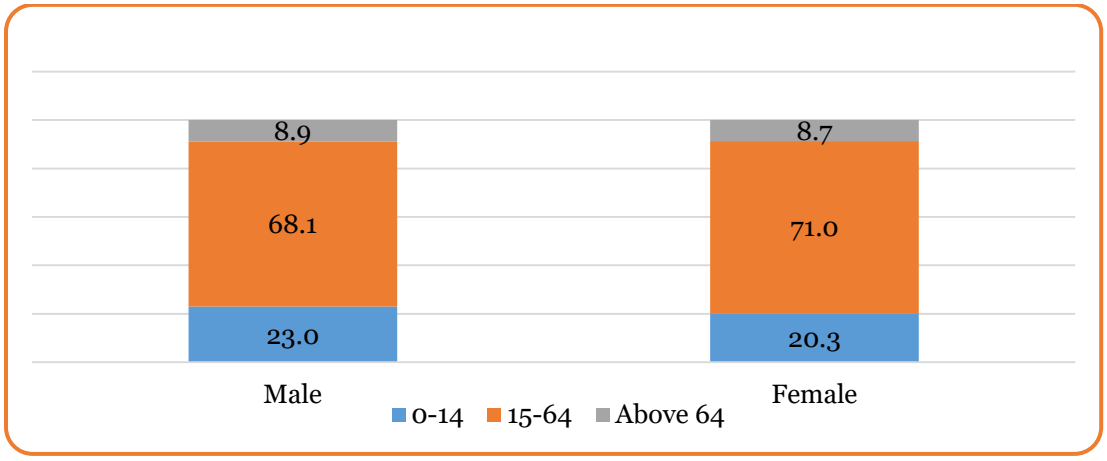
II.1. Demographic Profile

As per Census 2011, the total population of Himachal Pradesh is 68,64,602 persons, out of which 34,81,873 are males and 33, 82,729 are females. Almost 90 per cent of the state's population lives in rural areas. The sex ratio stood at 972 females per 1000 males, higher than the national average of 943 females per 1000 males. It also recorded an increase from 896 in 2001. The population

density of the state is 123 per sq. km which is lower than the national average of 368 per sq. km. and it stood at the 21st place on the population chart. The literacy rate of the population is 82.8 per cent with 89.53 per cent for males and 75.93 per cent for females.

More recent data on demographical details may be obtained from the survey conducted by National Sample Survey Office during 2017–18 on "Household Social Consumption: Education and Health". Figure II.2 shows the distribution of population by broad age group and gender, for the year 2017–18. The proportion of young people in the age group of 0–14 years among male and female population is estimated at 23.0 and 20.3 per cent respectively. About 68 per cent of the total male population belong to the age group of 15–64 years, whereas only 9 per cent fall in the age group of above 64 years. The proportion of people of age 15–64 years, among female population, is slightly higher, at 71.0 per cent, than the same among male population.

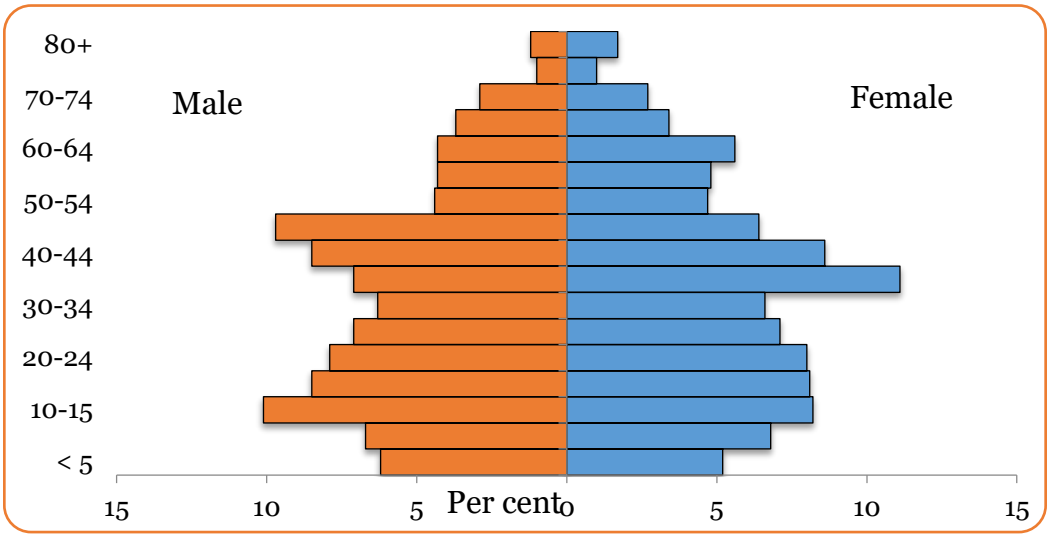
Figure II. 2: Distribution of Population by Broad Age Category and Gender (%)



Source: "Household Social Consumption: Education", NSSO, 2017–18

Figure II.3 shows the age structure of the state population presented in the form of population pyramid for the year 2017–18. An examination of this population pyramid reveals a noticeable larger young male population (0–29 years) as compared to female population of the same ages. On the other hand, looking at the older population (45 years and above), the female population is found to be larger when compared to the male population of the same ages.

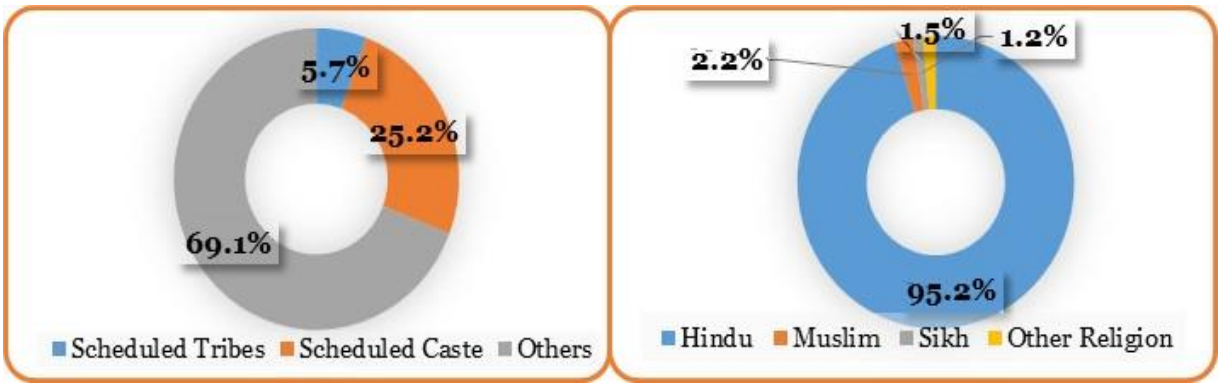
Figure II. 3: Population Pyramid (%)



Source: "Household Social Consumption: Education", NSSO, 2017–18

Figure II.4 shows percentage distribution of population by social group and religion. As per census 2011, the scheduled tribe and scheduled caste constitute 6 and 25 per cent of population in the state. Looking at the religion wise population distribution, Hindu religion accounts for 95 per cent of the population, followed by Muslims, which accounts for 2.2 per cent, and the rest of other religions sum up around 2.7 per cent of the total population.

Figure II. 4: Distribution of Population by Broad Social Group and Religion (%)



Source: "Household Social Consumption: Education", NSSO, 2017-18

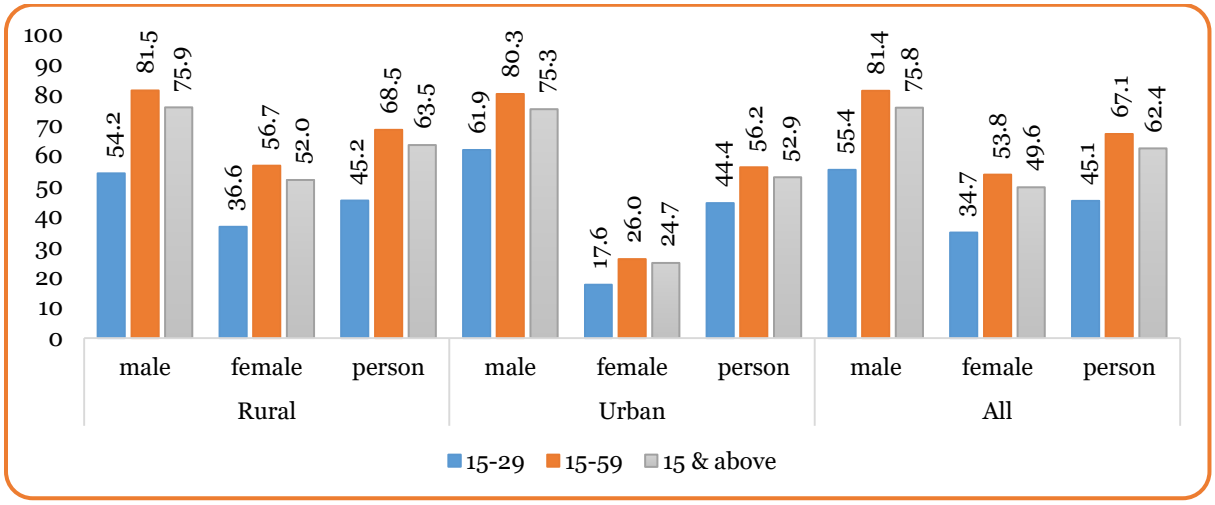
II.2. Employment Profile

Figure II.5 shows the labour force participation rate by broad age categories, gender, and regions for the period of 2017-18. The National Sample Survey office conducted the annual employment-unemployment survey, "Periodic Labour Force Survey (PLFS)" during 2017–18.

According to it, in the rural areas, 45.2 per cent, 68.5 per cent and 63.5 per cent of the total population within the age group of 15-29 years, 15-59 years, and 15 years and above, respectively, are either currently employed or are seeking employment.

The same is estimated to be 44.4 per cent, 56.2 per cent and 52.9 per cent of the population in the corresponding age groups in the case of urban areas. This proportion is estimated at 75.9 per cent for males and 52.0 per cent for females in the rural areas, and 75.3 per cent for males and 24.7 per cent for females in the urban areas for the age group of '15 & above'.

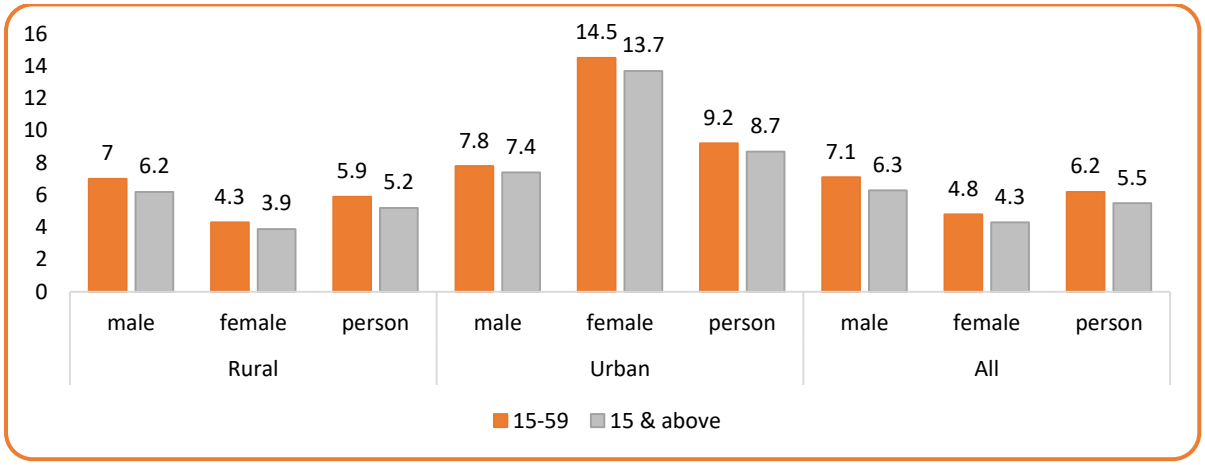
Figure II. 5: Labour Force Participation Rate (LFPR) by Region and Gender



Source: "Periodic Labour Force Survey", NSSO, 2017–18

The unemployment rate in the state was found to be around 5.5 per cent for 15 & above aged persons for the 2017–18. The unemployment rate for men was 6.3 and 4.3 per cent for females. The unemployment rate among the population within the age group of 15–29 years was found to be higher as compared to other age groups.

Figure II. 6: Unemployment Rate (UR) by Region and Gender



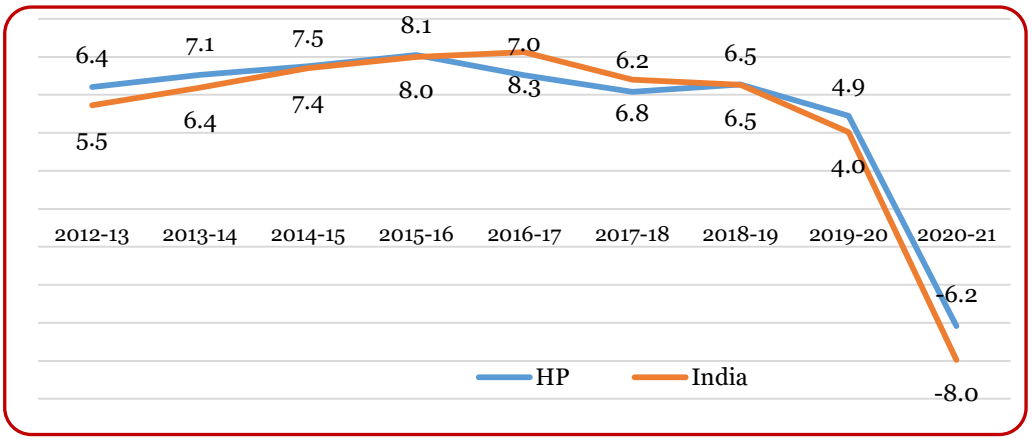
Source: "Periodic Labour Force Survey", NSSO, 2017–18

II.3. Economic Profile

The state is doing very well with respect to economic growth, driven especially by industrial and tourism growth. Besides, agriculture, horticulture, hydropower are also traditional important constituents of the state's economy. The state is particularly known for the abundant production of off-season vegetables, exotic fruits and vegetables, and various varieties of flowers, especially carnation.

The state's economic growth, in terms of year-on-year growth in Gross State Domestic Product (GSDP), has been faster than the national growth for most of the years since the inception of new GDP series, that is, 2011–12 (Central Statistics Office, Ministry of Statistics and Programme Implementation). The estimates of GSDP growth for 2019–20 is 4.9 per cent, higher than the national growth of 4.0 per cent (Figure II.7). In 2020–21, when India's GDP suffered a loss of 8.0 per cent resulting from the pandemic and several lockdown restrictions, Himachal Pradesh's GSDP fell by a lower rate of 6.2 per cent.

Figure II.7: Growth in Gross State Domestic Product (Constant Prices)



Source: Central Statistics Office

II.4. Infrastructure Profile

The state has a total area of 55,673 square kilometres and has a common border with many Indian states. Its rivers are perennial and are fed by snow and rainfall. These are: Chandra Bhaga or the Chenab, the Ravi, the Beas, the Satluj, and the Yamuna. The state has predominantly hilly and inaccessible areas. However, roads have been built and many bridges have been constructed to make these areas easily accessible.

Himachal has good connectivity through developed roadways and also airways. The state has a road network of 28,208 kilometres, including eight National Highways (NH) that constitutes 1,234 kilometres and 19 State Highways with the total length of 1,625 kilometres. Some roads are closed during winter and monsoon seasons due to snow and landslides. It has three domestic airports, namely Gaggal airport in Kangra district, Bhuntar airport in Kullu District, and Shimla airport in Shimla district.

Himachal Pradesh has two types of railway lines—broad-gauge and narrow-gauge. The broad-gauge railway line connects the Una Himachal railway station to Nangal Dam in Punjab and runs to Daulatpur. It is an electrified track since 1999. The narrow-gauge railway line, between Kalka and Shimla, is popular among tourists and is one of UNESCO's World Heritage sites. This train passes through many tunnels and bridges. Another narrow-gauge line between Pathankot and Joginder Nagar runs through a maze of hills and valleys. The total length of the narrow railway track is 259 kilometres.

Overall, the total route length of the operational railway network in the state is 296.26 kilometres.

II.5. Tourism Profile

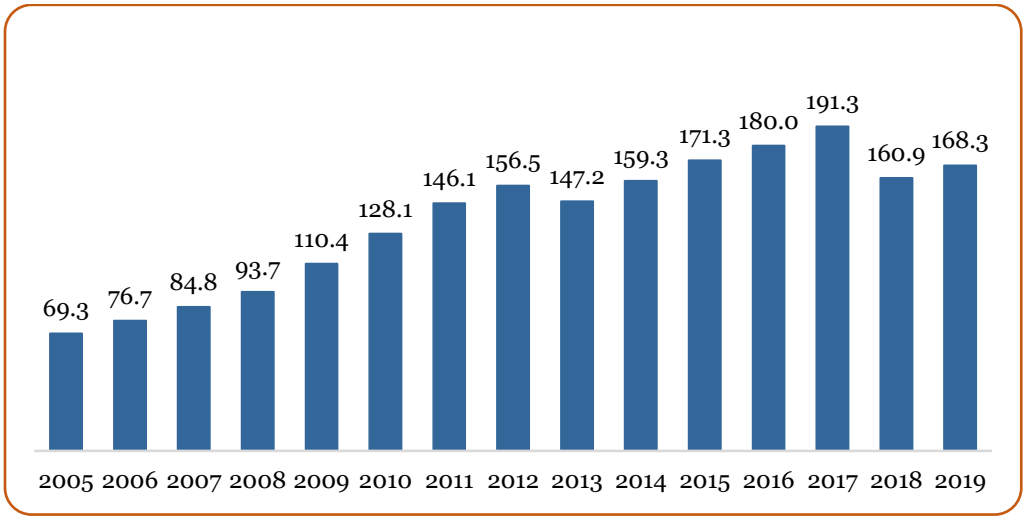
With the direct and indirect contribution of 7.8 per cent in the state's GDP, tourism sector of Himachal Pradesh has emerged as one of the important and major contributors in the state's economy. The natural scenic beauty, thickly forested valleys, snow-capped mountains, perennial snow-fed rivers, clean and peaceful environment and sacred shrines makes the state a perfect tourist destination.

The state has 28 wildlife sanctuaries and five national parks. The presence of these national parks and wildlife sanctuaries shows a huge potential for wildlife and natural tourism in the state. Heritage buildings like Bahadurpur fort, and war memorials are some other tourist attractions in the state. UNESCO in 2008 added the Kalka-Shimla railway which is popularly known as 'toy train' as a world heritage site.

Realizing the potential of the sector, the state government put it on the high priority and developed an appropriate infrastructure for its development. The efforts of these development plans has translated into the significant rise in the domestic and as well as foreign tourist inflows in the state in the last few years.

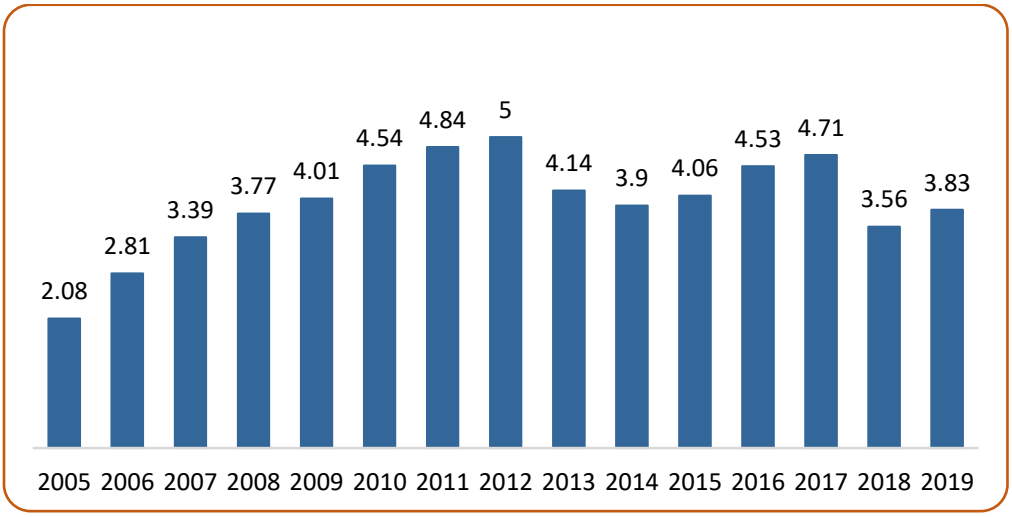
In 2019, approximately 168.29 lakh domestic tourists visited the state, as compare to 69.28 lakh domestic tourists visited the state in 2005, implying an increase of 143 per cent over the period (Figure II.8). During the same period, foreign tourist arrivals increased from 2.08 to 3.83 lakh, implying a jump of 84.1 per cent (Figure II.9). According to DES, Himachal Pradesh, there were 3679 registered hotels/guest house in the state, in December 2019,

Figure II. 8: Total Domestic Tourist Arrivals (in Lakh)



Source: DES, HP

Figure II. 9: Total Foreign Tourist Arrivals (in Lakh)



Source: DES, HP

Among the districts, Kullu tops the tourist footfalls in the state with almost 18.3 per cent of total tourist footfall, followed by Shimla (18.2%) and Kangra (13.5%) district. Kullu and Shimla are known for their mountains and scenic beauty and are among the most popular hill stations in northern India. While, Kangra is most notably famous for its temples.

III. State Education Profile

Himachal Pradesh is home to some of India's best schools and training institutes. Himachal Pradesh's educational parameters have been better than the national averages since its inception. There has been a tremendous growth in the availability of educational institutions in the last few decades. Despite its harsh climatic conditions and rough terrains, the state made an impressive progress in its educational infrastructure and resulted in the rise of student enrolment and literacy rate. This chapter discusses the education profile of the state of Himachal Pradesh and also of its 12 districts.

III.1. Literacy Rate

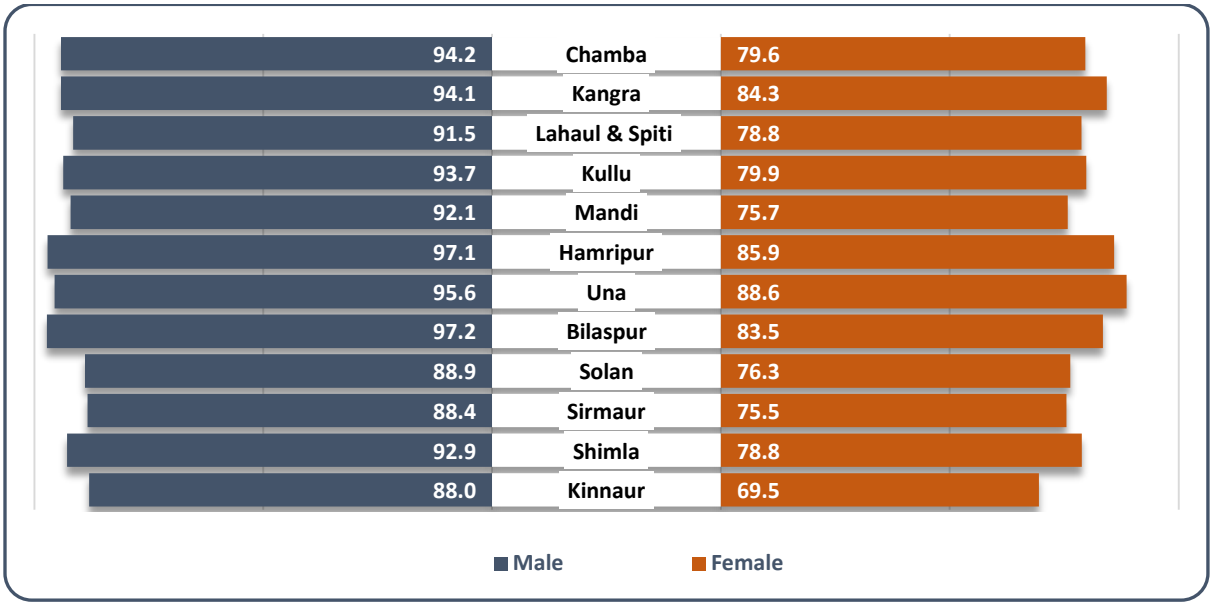
In order to achieve 100 per cent literacy in the State, literacy mission was started in each district with the co-ordination between Primary Education Department and the District Saksharta Samiti under the chairmanship of Deputy Commissioners.

According to Census 2011, the literacy rate in Himachal Pradesh was 82.80 per cent which is 8.8 percentage points higher than the national average at 74.0 per cent. These rates were 89.53 per cent for men and 75.93 per cent for women in the state. These are significant improvement from the Census 2001 rates, which were 85.35 per cent for men, 67.42 per cent for women and 76.48 per cent overall. The gender gap reduced from 17.93 percentage points in 2001 to 13.6 percentage points in 2011.

The more recent numbers are provided in the survey conducted by National Sample Survey Office (NSSO) on "Household Social Consumption: Education", which was conducted as its 75th round of survey during 2017–18. The report estimates the state's overall literacy rate to improve to 86.6 per cent in 2017. Similarly, male literacy rate increased to 92.9 per cent and female rate to 80.5 per cent, with gender gap 12.4 percentage points.

The survey also presents the literacy rates for its 12 districts (Figure III.1). Among the districts, the highest literacy rate at 92.1 per cent was in the hilly district of Una, which occupies the top position for female adult literacy rate (88.6 per cent) as well. Bilaspur has the highest male literacy rate at 97.2 per cent. Kinnaur recorded the lowest literacy rates for both male and female with total of 78.8 per cent. The gender gap is the least for Una and maximum for Kinnuar.

Figure III.1: Adult Literacy Rates across Districts (%)



Source: "Household Social Consumption: Education", NSSO, 2017–18

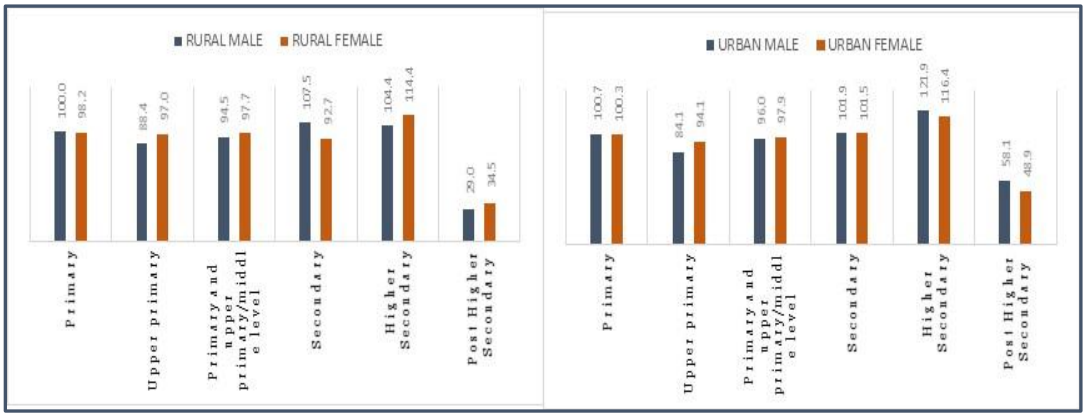
III.2. Enrolment and Attendance

The data on enrolment are available from the Unified District Information System for Education (U-DISE) for school education and All India Survey of Higher Education (AISHE) and these sources have been extensively used in the preparation of this report, but this section presents the status of current attendance, reasons for not attending educational institution, etc. using the data obtained from 75th round of survey conducted by NSSO.

The NSS data suggests that the Gross Attendance Ratio (GAR) for the state is the highest for "higher secondary" for both the sectors, that is, rural and urban (Figure III.2). GAR is the ratio of the number of persons attending the level of education, regardless of age, to the number of persons in the corresponding official age-group. It, therefore, indicates the extent of attendance, whether the students belong to the official age group or not.

As Figure III.2 suggests, the GAR value exceeds 100 per cent for some levels of education, which means that the state's education system is able to accommodate all of its school-age population but there is some extent of over-age or under-age attendance for that level of education.

Figure III.2: Gross Attendance Ratios (%)

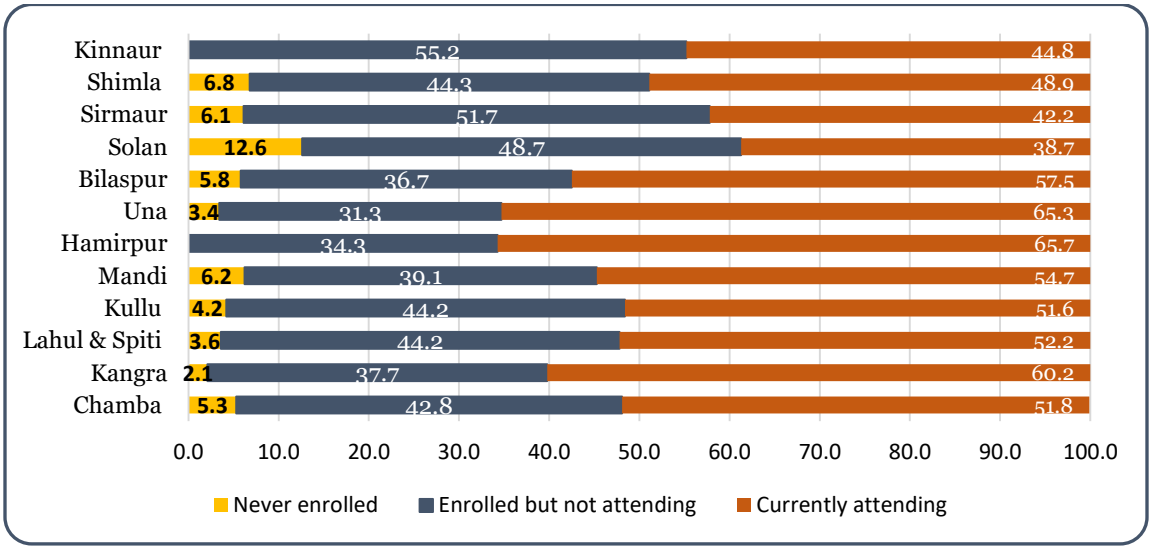


Source: "Household Social Consumption: Education", NSSO, 2017–18

Of the total 3.23 million persons in Himachal Pradesh, in the age-group 3 to 35 years, 94.5 per cent enrolled in an educational institution. Of these enrolled, about half were not attending the institution during the reference year. This means that only 52.6 per cent of the population of age 3 to 35 years, were "currently attending" the institution they had enrolled in.

Among the districts, the highest proportion of population in the specified age group, who are currently attending the educational institution, is in Hamirpur while the lowest proportion is reported in Solan. (Figure III.3). Shimla's currently attending proportion is lower than the state's proportion.

Figure III.3: Enrolment and Current Attendance (%)

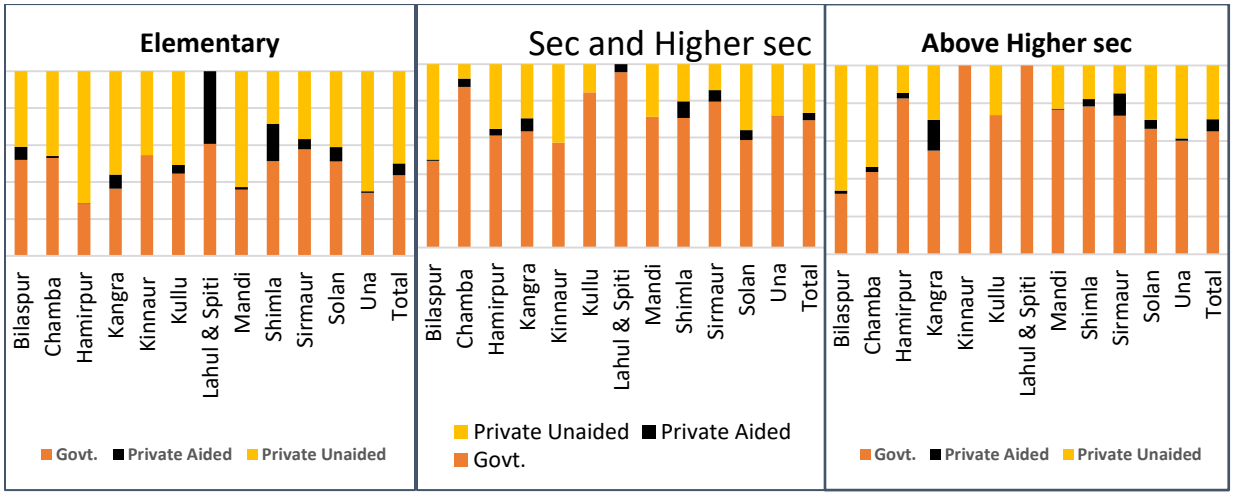


Source: "Household Social Consumption: Education", NSSO, 2017-18

Out of the total 1.69 million persons currently attending an educational institution, more than half belonged to the level of education till the upper-primary, with 6.6 per cent attending pre-primary, 27.9 per cent attending primary and 20.2 per cent attending upper-primary. This combined proportion is the highest for Solan district (71 per cent) and the lowest for Una (42.2 per cent). Also, Hamirpur reported the highest proportion of persons attending level of education of graduation and above. For details on enrolments, refer Annexure Table A1.

The district-wise percentage distribution of students enrolled by type of educational institutes and by levels of education is given in the following figure (Figure III.4).

Figure III. 4: Distribution of Students Enrolled by Type of Educational Institutes (%)



Source: "Household Social Consumption: Education", NSSO, 2017–18

A majority of students attended the government institution across all levels of education, except pre-primary, which is mostly provided by private institution. The per cent distribution of students across levels of education by type of institution attended in presented in Annexure Table A2. The key findings are as follows:

For the state as a whole, persons pursuing primary level of education attended either government-run institution (55.3 per cent) or private (38.6 per cent). However, in Kinnaur, almost entire primary level students attended government institution whereas in Hamirpur, this proportion is only 33.9 per cent. For "graduate" level of education, more than 75 per cent of students attended government institutions in all the districts.

Similar is the case with "postgraduate and above" level of education, where more than 80 per cent attended government institution. However, a few exceptions include Bilaspur where 43.5 per cent attended government and the rest attended private; Shimla where 92.8 per cent attended government, 0.7 per cent attended private and the remaining 1.1 per cent attended private aided.

III.3. Reasons for Not Attending

The data also reports the reasons for not attending the educational institution. These reasons vary across gender. It is found that most of the males, who had ever enrolled or had never enrolled, were currently not attending because of their financial constraints (Figure III.5). The share of such males is 28.24 per cent. Another 23.88 per cent were engaged in economic activities and 22.64 per cent reported other reasons which were not specified.

Figure III.5: Reasons for Not Attending (Males)

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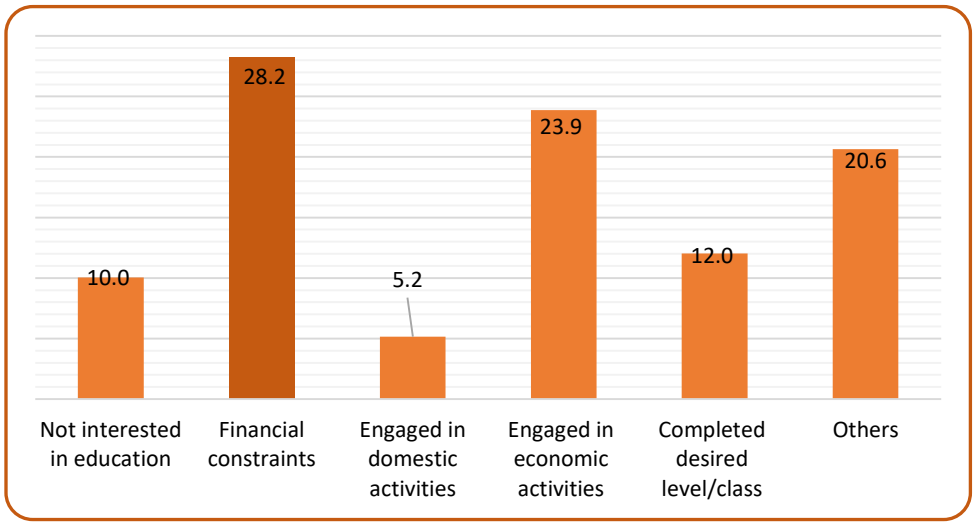
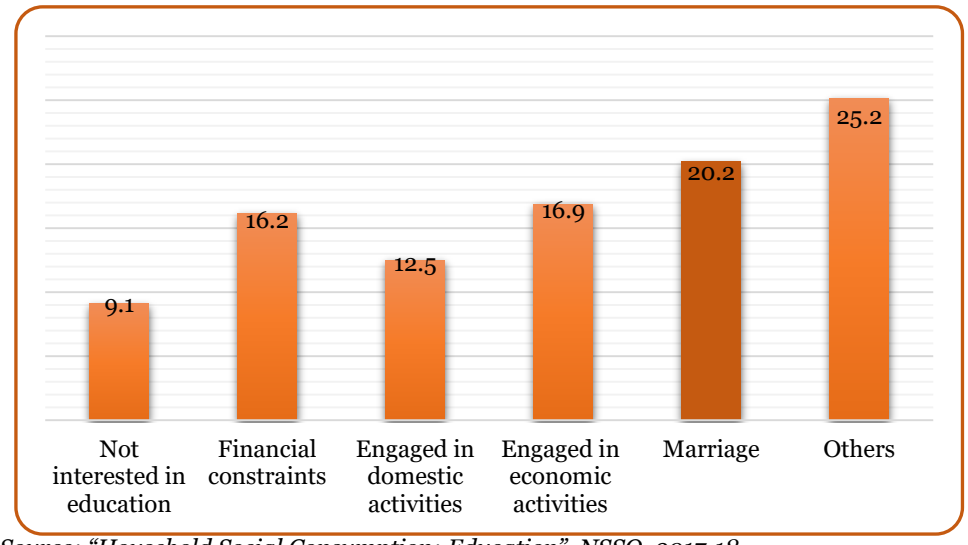


Source: "Household Social Consumption: Education", NSSO, 2017–18

On the other hand, of the total females not attending the educational institution, 20.2 per cent reported getting married as the major reason while 29.4 per cent did not attend as they were engaged in domestic and economic activities (Figure III.6). Many females also reported financial constraints as a major reason for not attending educational institutions. A significant 25.16 per cent also reported other reasons not specified.

FigurIII.6: Reasons for Not Attending (Females)



Source: "Household Social Consumption: Education", NSSO, 2017-18

III.4. Educational Infrastructure

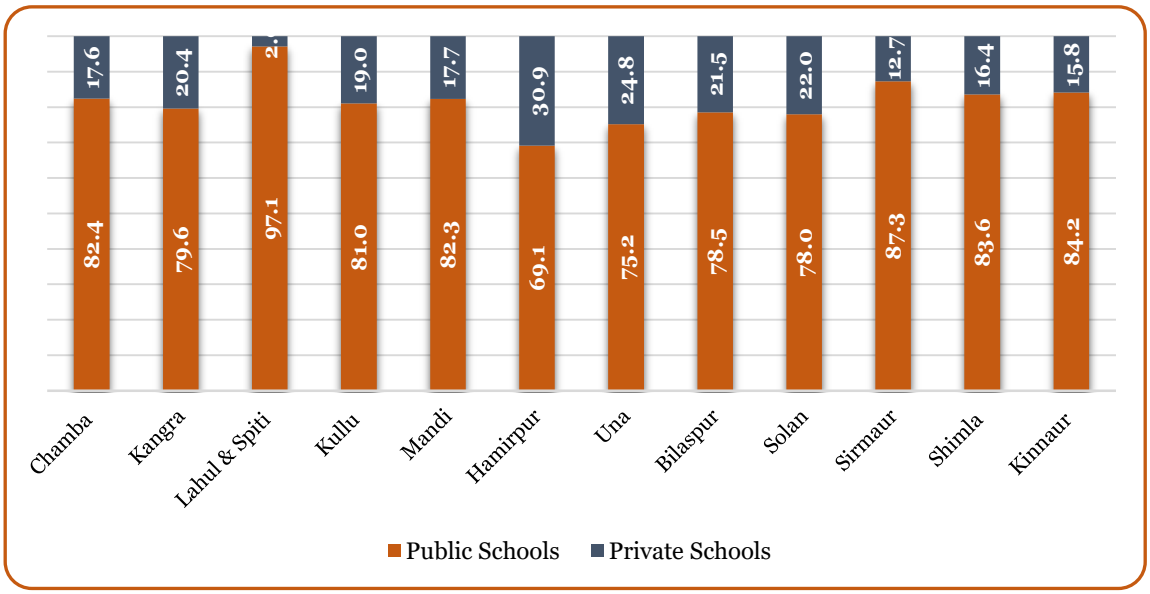
In Himachal Pradesh, the Department of Education has a unified structure covering basic education, secondary education, State council of education research and training, and Himachal Pradesh board of school education. The language of instruction in the schools is mainly English or Hindi.

Schools

Himachal Pradesh is well known for its good educational parameters. According to ASER, the state beats Kerala in terms of learning outcomes and logical skills. The state has a fairly developed educational infrastructure and is home to a number of technical education institutes. It has several reputed institutes of higher learning and research in diversified fields of general education, science & technology. Himachal Pradesh is fast approaching saturation in Elementary Education and improving in Secondary Education. Overall, out of 15402 schools in Himachal Pradesh, 69.2 per cent are primary schools, 12.9 per cent are middle school and remaining higher secondary schools. In addition to schools, the state has 306 higher educational institutions covering 131 colleges, 5 universities, one NIT, one IIT and one agricultural university. For Himachal Pradesh educational profile, refer to Annexure Table A3.

Overall, out of 22,387 schools in Himachal Pradesh, as per U-DISE data for 2017–18, 18,264 schools (or 81.6 per cent) are government schools, and the remaining 4123 are private schools. Figure III.7 presents the district-wise per cent distribution of schools by types of schools.

Figure III. 7: District-wise Distribution of Schools by Types of Schools (%)



Source: U-DISE, 2017–18

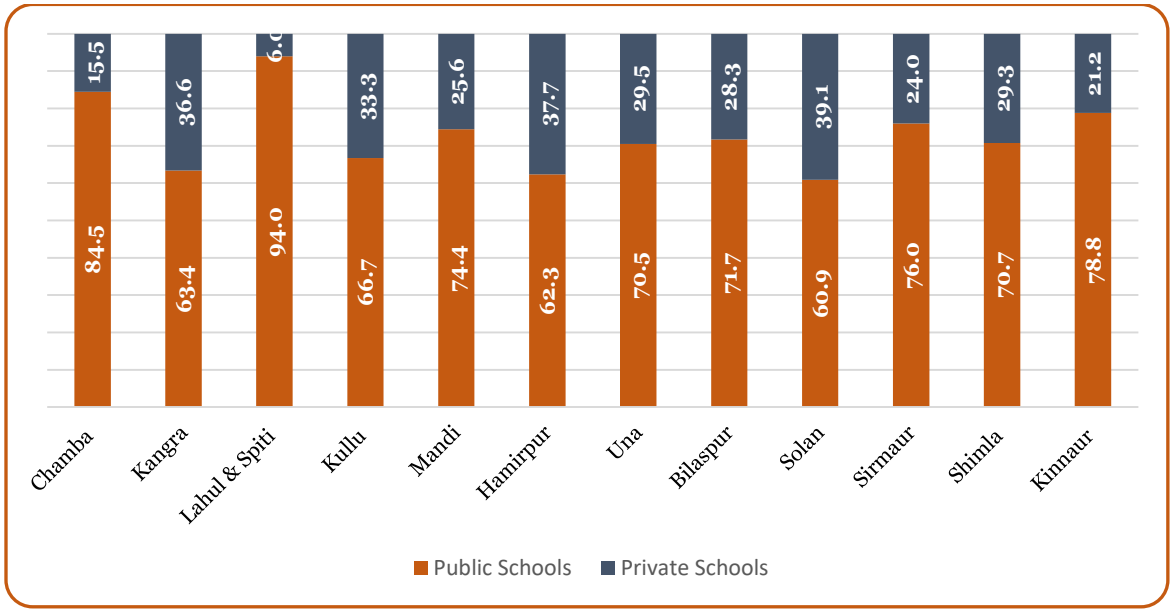
The above figure shows that all the districts in Himachal Pradesh have government schools in majority. The few districts with reasonable proportion of private schools are Hamirpur, with 30.9 per cent of total schools; and Una, Bilaspur and Solan, with more than 20 per cent of schools being private schools.

Himachal Pradesh is emerging as an education centre. In addition to schools, the state has many universities, including 1 Central University (Central University of Himachal Pradesh); 8 Institutes of National Importance (National Institute of Technology, Hamirpur; Indian Institute of Technology Mandi, Mandi; Indian Institute of Information Technology Una; Indian Institute of Management Sirmaur; Dr. Rajender Prasad Govt. Medical College, Kangra at Tanda; Indira Gandhi Medical College and Hospital, Shimla; Dr. Yashwant Singh Parmar Government Medical College, Nahan, Sirmaur; Dr. Radhakrishnan Government Medical College (RGMC Hamirpur); and a number of state public and private universities.

Teachers

The total number of teachers in Himachal Pradesh schools were 1,34,274 in 2017-18 with 99855 in Elementary level of education and 34392 in secondary/senior secondary level of education. About 6370 teachers were teaching in higher educational colleges/ universities (AISHE-2017–18). Figure III.8 presents the district-wise per cent distribution of teachers teaching in government and private schools.

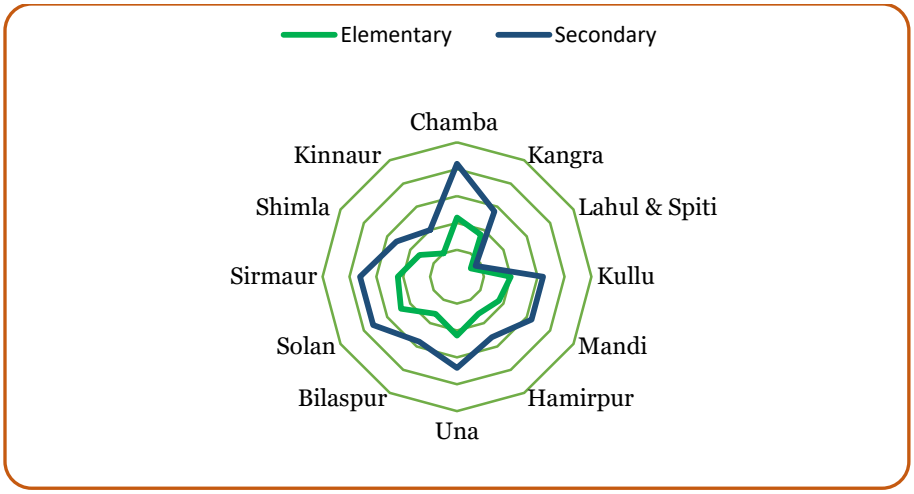
Figure III. 8: District-wise Distribution of Teachers by Types of Schools (%)



Source: U-DISE, 2017–18

The average pupil teacher ratio at elementary school level is 9 and 15 at secondary/senior secondary level. When seen across the types of schools, the highest pupil teacher ratio is recorded in the case of government secondary/senior secondary schools, at 25. The district with the highest ratio is Chamba at 21 at elementary and secondary/senior secondary level respectively (Figure III.9)

Figure III. 9: District-wise Pupil Teacher Ratio in Schools



Source: U-DISE, 2017–18

IV. Concepts and Definitions

This chapter presents the concepts and definitions of terminology used in the preparation of Education Satellite Account for the state of Himachal Pradesh. These concepts are based on the guidelines prepared by the United Nations Educational, Scientific and Cultural Organization (UNESCO), UNESCO Institute for Statistics (UIS) and the UNESCO International Institute for Educational Planning (IIPE) in the "Methodology of National Education Accounts".

The education account presents the financial flows of education through various dimensions. The education domain is defined through two dimensions, namely, education levels and activities. The institutional units, comprising organizations, agencies and individuals, are presented through two other dimensions, that is, producing units and the financing units. The fifth dimension is related to the nature of the economic transactions between producing units and financing units across the education levels and different activities involved.

These five dimensions are described in the sections below.

IV.1. Levels of Education

The International Standard Classification of Education (ISCED) has defined a framework to group educational programmes with respect to the knowledge and skills that each programme has been designed to impart. The levels of education are constructed into an ordered set of categories which broadly represent the steps towards advancing education in terms of the intricacy of educational content. ISCED 2011 classification has following six major levels.

Code	Description
ISCED 0	Early Childhood Education
ISCED 1	Primary Education
ISCED 2	Lower-Secondary Education
ISCED 3	Upper-Secondary Education
ISCED 4	Post-Secondary Non-Tertiary Education
ISCED 5-8	Tertiary Education

Each level of formal education under the national system can be easily linked to the ISCED level for international comparability.

IV.2. Educational Activities

The production process for which the education accounts are aimed at is "education", therefore, it is important to define what can or cannot be included in the sphere of education as a product. However, it is essential to classify and describe the education accounts in a way that it is comparable between countries.

ISCED has defined education programme as:

"a coherent set or sequence of educational activities or communication designed and organized to achieve pre-determined learning objectives or accomplish a specific set of educational tasks over a sustained period. Objectives encompass improving knowledge, skills and competencies within any personal, civic, social and/or employment related context. Learning objectives are typically linked to the purpose of preparing for more advanced studies and/or for an occupation, trade, or class of occupations or trades but may be related to personal development or leisure. A common characteristic of an education programme is that, upon fulfilment of learning objectives or educational tasks, successful completion is certified (UIS, 2012)"[12]

Elaborating the definition,

- Educational Activities – activities comprising some type of communication aimed at enhancing/bringing about learning.
- Learning – acquiring informational knowledge and understanding values and skills through instructions, study and practice.
- Both educational activities and learning are sustained and organised in nature. The definition mostly comprises classroom instructions, training courses, and distance learning.
- Observational learning, self-learning, participation in isolated seminars or conferences, or non-organised training carried out during work time, are not considered as education. The economic equivalent of the time spent by parents on informal training of their children is also not included in educational account.
- Some activities may comply with the definition but cannot be considered as a part of expenditure on education. All such activities are therefore excluded from the education accounts.
    i. Training provided by driving schools or pilot schools, unless it forms part of a school training programme.
    ii. Education essentially corresponding to sporting or leisure activities.
    iii. Military service, equivalent national service, or training sessions organized for defence purposes. Only military colleges and academies which are delivering initial or continuing training to army staff are considered to be part of the education domain.

[12] *Methodology on National Education Accounts*

Characteristic Activities/Products

Educational activities are not limited to the production of teaching activities. The definition also comprises the following.

- Administration activities of the educational institution is considered to be a part of the teaching activities.
- Ancillary services such as school meals/canteens, boarding facilities, transportation between home and educational institution, health care facilities provided at the educational institution which are aimed at supporting school attendance.
- Research carried out at higher education institutions because academic staff can be both lecturers as well as researchers.
- General administration and supervision of the educational system such as inspection, curriculum designing, examinations, educational statistics, educational policy development, etc. which is carried out by the administrative departments at regional or national level are considered as a part of the educational activities under a separate producing unit.
- Activities of the specific bodies intended at providing support to the educational institutions are identified as separate producing units for those specific characteristic educational activities.

Connected Activities/Products

The goods and services that are produced outside the educational institutions but are linked to the economy of education system are considered as connected products/activities.

- Textbooks, uniforms and other school supplies purchased from the market place.
- School transportation, if it is provided by the local authorities rather than the educational institution.
- Private tuitions or coaching.

IV.3. Producing Units

The institutional units that form the basis of educational accounts are the producing units such as –

- **Public Educational Institutions**: They provide core educational activities such as teaching and ancillary activities. They include schools, colleges, universities, etc. controlled and managed directly by a public educational institution or a government body council. The members of such government committees are usually appointed by a public authority.

- **Private Educational Institutions:** They provide core educational activities such as teaching and ancillary activities. They include schools, colleges, universities, etc. controlled and managed by a private organisation such as a church, a business enterprise or a governing board which consists of members who have not been appointed by a public authority. The management and not the funding of the institution determines its public or private nature. An institution may be fully funded by the government but still be private because it is entirely managed by non-public members.
- **Other Educational Institutions:** he schools such as those that are controlled by international agencies or set up by community without being managed formally by a government authority.
- **Other Producing Units:** Ministries of education, regional or district education offices, etc. are producers of peripheral education goods and services, such as supervision, policy orientation, statistics, research and overall administrative support. These non-teaching activities may also be produced by non-government bodies such as an NGO. Autonomous bodies carrying out only activities classified as ancillary services, such as accommodation for students or school meals, are also categorized as producing units.

IV.4. Financing Units

The institutional units which grant financial resources to the producing units are called the financial units. Financial units do not directly provide the core educational services.

As a part of the government budget the Ministry of Education provides financial resources to the producing units such as schools, colleges, etc. and the administrative department of the ministry on the other hand performs characteristic educational activities by policy making, curriculum development, inspection, etc. In this case, the Ministry of Education is a financing unit while its administration department is categorized under general administration activities and hence, a producing unit.

The financing units in any country are generally categorized into three sectors compatible with the System of National Accounts (SNA) and must encompass all possible sources of funding for education.

i. **General government sector** consisting of the institutional units whose primary activity is to perform the functions of the government. To be considered a government sector at any of the national, regional or local levels, an institution must have their own funds that they have received through tax revenues or transfers from other government units. Expenditure data, both budgeted and non-budgeted, must be separated between the levels of the government — central government, state government and local government.
ii. **Private sector** mainly comprises households, corporations and non-profit institutions.
iii. **Rest of the world** includes the non-domestic financing units such as the international development partners of the government, international private foundations or international NGOs.

IV.5. Economic Transactions

Compensation to Employees

- Compensation of employees has two main components.
  i. **Wages and Salaries:** This includes basic salaries of the employees within the education system. It also includes bonuses and travel allowances. The compensation may be in the form of cash or kind.
  ii. **Social Security Schemes:** This includes the actual or imputed expenditure by employers to finance the retirement benefits for the present education employees. It does not include the contributions made by employees themselves. It also includes social insurance for the employees, such as health insurance, disability insurance, etc.

- It is important to note the difference between the compensation to the teaching staff and the non-teaching staff of an educational institution.

  i. **Compensation to teaching staff** includes wages and retirement benefits paid to the education employees who are directly involved in teaching (or research) activities irrespective of their training, qualifications and mode of teaching (face-to-face or distance mode).
  ii. **Compensation to the non-teaching staff** includes the compensation in cash or in kind to the education staff who are mainly involved in administrative tasks, irrespective of whether they have teaching qualification or not. It generally includes principals, counsellors, librarians, school health personnel, education administrators at local, regional and national level, maintenance staff, catering staff, security personnel, etc.

- Compensation of employees does not include remuneration for contractors, consultants, and other workers who are not employees of the institution. Any such amounts should be recorded under 'goods and services'. Similarly, reimbursement of travel or travel allowances for employees who need to move within the country or abroad to carry out their duties should be classified under goods and services rather than compensation of employees.

Purchase of Goods and Services

- The expenditure on goods and services consumed within the current year is categorized as the purchase of goods and services. This can also be referred to as the recurrent expenditure because the goods and services purchased in the current year may have to be renewed in the following year.
- Expenses on teaching materials such as the textbooks, notebooks, pens, rulers and other pedagogical materials used by the students are counted as goods and services.

- Rents paid for school building, expenditure on fuel, electricity, telecommunication, water, sanitation, insurance, regular maintenance of the building, administrative costs, etc. are all recurrent expenditures.

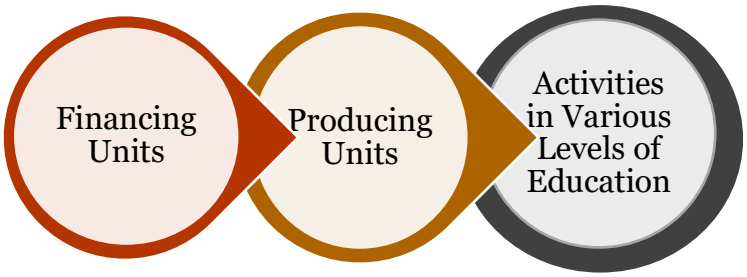
Gross Capital Formation

- As defined under SNA, gross capital formation is the value of acquiring non-financial assets minus the disposal of assets. Non-financial assets include fixed assets, inventories and valuables. For education expenditure, capital formation is mainly concerned with fixed assets (that can be used continuously for more than a year).
- It is 'gross' because the entire value of the asset is included in the year in which it is listed and not estimated year by year of utilization. For example, if a school building costing INR 10 crores was constructed in 2010, the full amount of INR 10 crore will be included as gross capital formation for 2010 even if the building will be used for over 30 years.
- Construction of buildings and their cost of major renovation (including construction of school canteens, hostels, administrative offices), computer hardware and software, durable teaching materials such as desks, chalkboards, acquisition of land, intellectual property products are all categorized under gross capital formation.

V. Methodology and Key Findings

This chapter represents the flow of money in the education domain according to the prevailing system in the economy of reference, which here is the state of Himachal Pradesh.

The Education Satellite Account (ESA) typically presents the financial flows within the education domain, which is organized into a set of activities and products, across the levels of education. The ESA also identifies two types of economic agents which undergo the economic transactions in this domain.



The ESA brings out the flow of money from (or between) the financing units to the producing units, flowing further to the activities carried out by the producing units through the various levels of education. The ultimate beneficiary of the education system is the student.

Every expenditure by a financing unit is considered as a payment to the producing unit, barring the case of education connected products when the payment is done to agents outside the educational institution, which are related to education domain in some way or the other.

For this, it is of utmost importance to classify the different dimensions of Financial Flow. The classification which has been followed for the preparation of ESA for Himachal Pradesh is presented in Table V.1.

Table V. 1: Classification of Dimensions of Education Domain

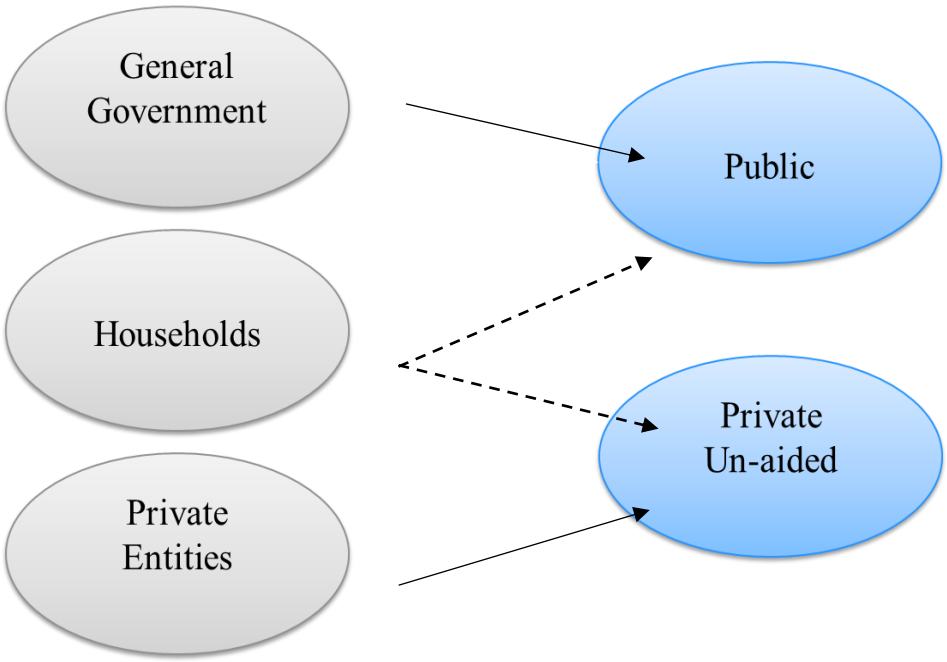
Financing Units	Levels of Education and Producing Units	Activities and Economic Transactions
General Government **Private Sector** • Households • Private units	**Up to Primary education** Public schools Private schools **Middle education** Public schools Private schools **Secondary education** Public schools Private schools **Senior Secondary education** Public schools Private schools **Tertiary education** Public schools Private schools **Vocational/Technical** Public schools Private schools **Others** Public schools Private schools	**Direct Financing of educational institutions** Staff Remuneration • Teaching staff salaries ○ Basic salaries, allowances, pensions • Non-teaching staff salaries ○ Basic salaries, allowances, pensions Goods and services • Other recurrent expenditure (grants and subventions, water, electricity, office supplies etc.) Capital expenditure Ancillary services (boarding, meals, transport) **Payment outside educational institution** • Goods and services required for attendance ○ Books, stationery and uniform ○ Transport not organised by school ○ Others ○ Private tuition

Source: NCAER Research

The total expenditure on education covers expenditure by all financing units, for all levels of education and in all types of producing units, categorized into public and private. For most part of this study, private units is a combination of both private-aided and private-unaided units.

The transfers from financing units to producing units may be described as follows (Figure V.1):

Figure V. 1: Schematic Structure of Transfers between Financing and Producing Units



Hence, there may be two approaches to determine the total expenditure incurred on education, that is, either through transfers paid by financing units or through payments received by producing units. While data on transfers paid by general government and households to different producing units are available through budget documents and household surveys (as described in the sections below), but transfers paid by private entities are not available and are also difficult to collect as these entities may be of various types, like private corporates, private-funded NGOs, donor agencies or philanthropic individuals. Hence, the data on payments received are collected from the producing units to which these transfers are made, that is, private institutions. These data are collected through a primary survey, described in Section V.3.

Each category of expenditure and its data sources are discussed in the sections below.

V.1. General Government Expenditure

The majority of government financing of education in the state originates from the state Department of Education. The expenditure incurred by Department of Education is not just expenditure on elementary or secondary or technical education, but also on the schools as a whole or for school administration or capital formation.

It may also be noted that till 2013–14, the state budget documents did not include the union government and state government's shares in implementing the centrally sponsored schemes on

education as the funds flowed from union government directly to implementing agencies. But 2014–15 onwards, the fund flow mechanism changed and the state budgets report expenditure on these schemes[13].

Besides, there are other sources which incur substantial expenditure on education domain. These are departments of other Ministries in the state, Urban Local Bodies in the state, Central sector schemes[14], NGOs which are funded by the Central government. There are many other NGOs which work on Education domain but, for this study, we have not taken those into account.

The key sources of education expenditure incurred during 2017–18 are:

- Department of Education, Detailed Demand for Grants (DDG), Head-wise details, 2019–20.
- Other departments' DDG, Head-wise details, 2019–20. These departments include Agriculture, Finance, Forest and Wild Life, General Administration, Horticulture, Scheduled Caste Sub-Plan, Miscellaneous General Services, Planning and Backward Area Sub-Plan, Tribal Development, and Social Justice and Empowerment.
- Compensation to employees and Capital Formation, Economics-cum-Purpose Classification of Local Bodies Budget, Himachal Pradesh, 2017–18, Directorate of Economics & Statistics Department of Planning Government of Himachal Pradesh.
- Central Sector Schemes:
    - Jan Shikshan Sansthan, Ministry of Human Resource Development.
    - UGC Grant to Central University of Himachal Pradesh. The UGC grant includes salary, recurrent and capital grant.

Jan Shikshan Sansthans (JSS) are conceived as institutes for conducting skill upgradation programme in the rural and urban slums of a district while also providing academic and technical support to its target group. The Scheme aims to provide vocational education and skill development to non-literates, neo literates and the person having rudimentary level of education belonging to disadvantaged sections of the society up to 12th class drop outs in the age group of 15– 45 years. The JSS function under the NGOs, registered under the Societies Registration Act, 1860 with annual recurring grant from the Govt. of India. There is only one JSS centre in Himachal Pradesh which is located in the district of Lahaul & Spiti. The details of grant amount sanctioned by the Ministry of Human Resource Development or Ministry of Education to this JSS are obtained from the Ministry's DDG.

A DDG for a financial year presents the total provisions required for a service, including revenue and capital expenditure, grants and loans relating to that service. The DDG for a particular year gives item-wise details of government expenditure for three consecutive years, that is, Budget

[13] *Public Financing of School Education in India: A Fact Sheet, 2016, Centre for Budget and Governance Accountability (CBGA) and Child Rights and You (CRY).*

[14] *Central sector schemes are 100 per cent funded by the Union government and implemented by the Central Government. The Central Ministries implement these schemes directly in States/UTs and resources under these schemes are not generally transferred to States. Hence, the expenditure incurred through Central Sector schemes are not reflected in state budget documents.*

estimates (BE) for that year, Revised Estimates (RE) for the previous year and Actual Expenditure for year before previous year. Hence, for this study, DDG for 2019–20 has been referred to, which provides actual expenses for 2017–18, the reference year of ESA.

Each DDG is divided into sectors (Education, Health, Finance, etc.), which may in some cases be further divided into sub-sectors (Education, Sports, Culture under Education; Medical and Family Welfare under Health, etc.). The main unit of classification in accounts is the major head, which is further divided into sub-major head, each of which is then divided into minor heads, each of which has a number of subordinate heads, generally known as sub-heads. The sub-heads are further divided into detailed heads and object heads. Major heads generally correspond to 'Functions' of Government while minor heads identify the programme undertaken to achieve the objectives of the function represented by the major head.

For the purpose of ESA, expenditure under the Grant Name of "Education, Sports, Art and Culture" has been taken into account. But not all major heads under this grant name falls in the domain of education, as per the UNESCO ESA methodology. Accordingly, expenditure incurred under sports, art and culture are not taken into account in deriving the total education expenditure. We have also collected expenditure done by all other state departments on educational domain. In other departments' expenditure too, only that incurred on education (under both revenue and capital account) is taken into account. The coverage of ESA is given as follows (Table V.2):

Table V. 2: Budget Heads Covered in ESA

Grant Name	Major Head (Code and Name)		Covered in ESA
Education, Sports, Art and Culture	2059	Public work	Yes
	2202	General Education	Yes
	2202-01	Elementary Education	Yes
	2202-02	Secondary Education	Yes
	2202-03	University and Higher Education	Yes
	2202-04	Adult Education	Yes
	2202-05	Language Development	Yes
	2202-80	General	Yes
	2205	Art and Culture	No
		Welfare of Scheduled castes, Scheduled Tribes, Other Backward Classes and Minorities	No
		Social Security and Welfare	No
	4202	Capital Outlay on Education, Sports, Art and Culture	Yes
		Loan for Education, Sports, Art and Culture	No
Other Departments	2059-01-053-87	Labour, Employment and Training - Maintenance of Technical Education Department Building	Yes
	2225-03	Labour, Employment and Training - Welfare of Backward Classes - Education	Yes
	2415	Agriculture – Agriculture Research and Education	Yes

Grant Name	Major Head (Code and Name)		Covered in ESA
	7610-00-800-04	Finance – Education Loan	Yes
	2415	Forest and Wild Life - – Agriculture Research and Education	Yes
	2251-00-090-03	General Administration – Department of Education	Yes
	2415	Horticulture - – Agriculture Research and Education	Yes
	2059-80-789-01	Scheduled Castes Sub Plan. - Maintenance of Indira Gandhi Medical College Buildings	Yes
	2202	Scheduled Castes Sub Plan. – General Education	Yes
	2203	Scheduled Castes Sub Plan. – Technical Education	Yes
	2230	Scheduled Castes Sub Plan. – Training	Yes
	2415	Scheduled Castes Sub Plan. – Agriculture Research and Education	Yes
	4202	Scheduled Castes Sub Plan. – Capital Outlay on Education, Sports, Art and Culture	Yes
	4210	Scheduled Castes Sub Plan. – Medical Education Training & Research	Yes
	2202	Miscellaneous General Services – General Education	Yes
	4202	Miscellaneous General Services – Capital Outlay on Education, Sports, Art and Culture	No
	2202	Planning and Backward Area Sub-Plan – General Education	Yes
	4202	Planning and Backward Area Sub-Plan - Capital Outlay on Education, Sports, Art and Culture	Yes
	2202	Tribal Development – General Education	Yes
	2203	Tribal Development – Technical Education	Yes
	2415	Tribal Development – Agriculture Research and Education	Yes
	2210	Tribal Development – Medical Education, Training and Research	Yes
	4202	Tribal Development – Capital Outlay on Education, Sports, Art and Culture	Yes
	4210	Tribal Development – Medical Education Training & Research	Yes
	2235-02	Social Justice and Empowerment	Yes
	2235-60	Social Justice and Empowerment	Yes
Jan Shikshan Sansthan, Lahual Spiti		Ministry of Education, Govt. of India	Yes
Grant from University Grants Commission (UGC) to Central University of Himachal Pradesh		University Grants Commission	Yes

Source: NCAER Compilation

The total expenditure incurred by Department of Education for 2017–18 works out to be Rs. 5156.93 crore, of which Rs. 5002.07 crore is on revenue account and Rs. 154.86 crore is the capital outlay of the department. Technical education expenditure is incurred by Department of Labour, Employment and Training for the year 2017–18 which came out to be Rs. 121.53 crore out of which Rs. 55.11 crore falls under revenue account and Rs. 66.42 crore is capital expenditure.

It may be noted that apart from the recurrent expenditure, the revenue expenditure in the budget also includes expenses on items, which are classified as capital expenditure in the ESA. These include items like furniture and equipment, computer hardware and software, etc. However, the budget allocation towards capital outlay, which includes creation of capital assets, new construction of institutions and other major works, is kept separately in the ESA table and is referred to as capital account.

Besides these, as mentioned in Table V.2, the following values of expenditures incurred by state government and directly by central government are also taken into account (Table V.3):

Table V. 3: Coverage of Education Expenditure by General Government in the State

Coverage of Education Expenditure in the state	Values (in Rs. crore)
Department of Education	5156.93
Technical Education by Labour, Employment and Training Department	121.53
Department of Agriculture	101.01
Department of Finance	0.10
Department of Forest and Wild Life	0.04
Department of General Administration	2.94
Department of Horticulture	95.99
Department of Scheduled Castes Sub Plan	446.57
Department of Miscellaneous General Services	3.80
Department of Planning And Backward Area Sub-Plan	21.35
Department of Tribal Development	325.14
Department of Social Justice And Empowerment	27.52
Expenditure incurred by Urban Local Bodies on Education	4.13
Expenditure incurred by Central Govt, as grant to JSS (Lahual Spiti)	88.00
Grant from University Grants Commission (UGC) to Central University of Himachal Pradesh	28.53

Source: Detailed Demand for Grants, 2019–20, Annual Report, UGC, 2017–18.

Hence, a total of Rs. 6423.59 crore was spent on education domain by the state government in 2017–18. Their breakup into revenue and capital accounts is provided in Table V.4.

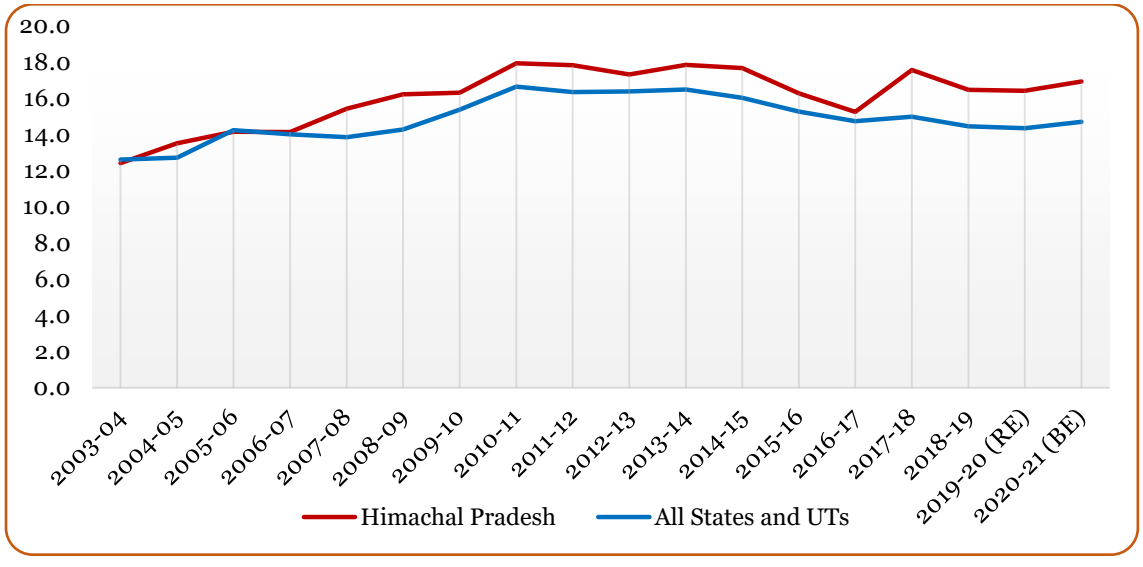
Table V. 4: Revenue and Capital Account of Education Expenditure (Rs. crore)

	Revenue	Capital	Total
1. General (Department of Education)	5002.07	154.86	5156.93
2. Technical	55.11	66.42	121.53
3. Other Departments	902.85	121.62	1024.47
4. Urban Local Bodies	4.13		4.13
5. Central Government grant to NGO (JSS)	88.00		88.00
6. UGC grant	28.53		28.53
Grand Total	6080.69	342.90	6423.59

Source: Detailed Demand for Grants, 2019–20, Annual Report, UGC, 2017–18, Economics-cum-Purpose Classification of Local Bodies Budget, Himachal Pradesh, 2017–18.

With the total general government expenditure of Rs. 34811.21 crore for 2017–18, state's education revenue expenditure works out to be 18.45 per cent of total state government expenditure. This is above the national-level proportion of 15.0 per cent (Union and State Government combined). In fact, Himachal Pradesh public expenditure on education as per cent to total government expenditure was almost in tandem with the corresponding proportion at national level, from 2003–04 to 2006–07, after which the state started spending at a notably higher proportion in the year 2017–18. (Figure V.2).

Figure V. 2: Expenditure on Education Compared to Total Government Expenditure (%)



Source: RBI State Finances - A Study of Budget - 2019–20

- **Government Expenditure by Levels of Education**

There are five sub-major heads under general education. Their mapping with the ESA levels of education is given in Table V.5:

Table V. 5: Budget Heads and Levels of Education

Sub-major heads and codes	Levels of Education
2202- General Education	
01- Elementary Education	Up to Primary
	Middle
02- Secondary Education	Secondary
	Senior Secondary
03- University and Higher Education	Tertiary
04- Adult Education	Adult Education
05- Language Development	Tertiary
80- Others	Others

Source: NCAER Compilation

Table V.6 presents the general government expenditure on different levels of education by revenue and capital accounts along with the number of students enrolled in different levels of education. The data on number of students enrolled are obtained from NSS education survey data 2017–18.

Table V. 6: General Government Expenditure by Revenue and Capital Accounts

(Rs. crore)

	Revenue	Capital	Total Expenditure	Number of students enrolled
Elementary	2959.91	20.18	2980.09	927172
Secondary	2084.34	82.66	2166.99	519808
Tertiary	876.02	140.46	1016.48	184539
Adult Education	0.44	-	0.44	
Technical	144.41	82.83	227.24	62571
Others	15.58	16.77	32.35	
Total	**6080.70**	**342.90**	**6423.60**	**1694090**

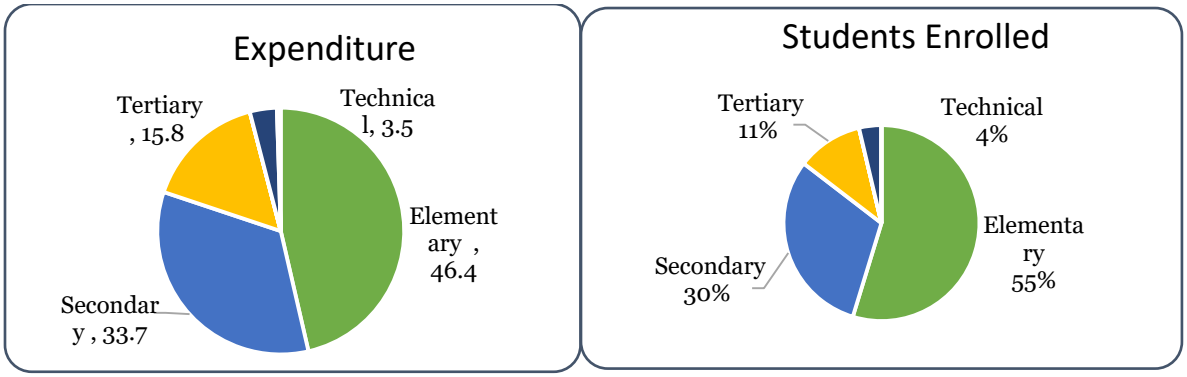
Source: NCAER Compilation using DDG accounts, NSS education survey data 2017–18

The percentage distribution of total general education expenditure (taking revenue and capital together) and of students enrolled, both by levels of education are presented in Figure V.3.

It may be noted that for technical education, number of students enrolled in technical courses is obtained from NSS survey but the expenditure on technical education also includes training expenses to the employees of various government departments. Hence, to that extent, number of students enrolled for technical courses is an underestimation.

Also, "Others" refer to the head in the DDGs which could not be directly identified as corresponding to a particular level of education and might be an allocation towards more than one or all levels of education. For example, its recurrent expenditure includes the Staff Cost under the Education related expenses incurred by Department of General Administration and its capital outlay includes expenditure on construction of buildings under Tribal Sub-Areas Plan (4202-01-796-01) under General Education. For the same reason, the number of persons enrolled for this level is not applicable. Hence the percentage distribution of expenditure incurred on only elementary, secondary and tertiary levels of education is compared with that of number of students enrolled in these levels.

Figure V. 3: Government Expenditure and Students Enrolled on "General Education" by Levels of Education (% Distribution)



Source: NCAER computation

Key Highlights

i. The state's total expenditure on education (taking both revenue and capital accounts), at Rs. 6,423.60 crore, is 18.45 per cent of total state government exchequer. In terms of per cent to State Gross Domestic Product (GSDP), the education expenditure works out to be 4.6 per cent for 2017–18. The value of state's total government expenditure, as per Annual Financial Statement, Government of Himachal Pradesh, is Rs. 34,811.21 crore for 2017–18. For the same year, GSDP of the state is Rs. 1,38,351 crore.

ii. The Department of Education is the key financing unit for public education expenditure, accounting for 82.26 per cent in total revenue account and 80.28 per cent after taking

capital outlay also into account. But other departments, listed in Table V.3, along with local bodies and grants from central government are also significant contributors, accounting for 17.7 per cent in the total revenue expenditure for education and as high as 54.8 per cent in its capital expenditure. In all, 19.7 per cent of public expenditure on education in the state is on account of these sources.

iii. The share of revenue or recurring expenditure in total education expenditure is very high at 94.66 per cent. A substantial proportion of total expenditure is on revenue account, in the case of elementary and secondary level of education, at 99.3 per cent and 96.2 per cent respectively. On the other hand, "Technical" and "Others" levels of education are allocated a significant proportion of capital outlay, at 36.5 per cent and 51.8 per cent respectively. In all, only 5.3 per cent of the total general government expenditure is spent on capital outlay. Since capital outlay largely constitutes expenditure on construction of new institutions, its modest proportion indicates little requirement for the state to spend on building new schools or colleges. This is evident from the decent performance of the state with respect to number of institutions per lakh population.

iv. In terms of number of recognized schools per lakh population, Himachal Pradesh is the topmost rank holder state among all the states of India in case of number of senior secondary schools per lakh population. This is despite the state's sparse population density and also unique nature of being a hilly state. The state holds second position, next only to Meghalaya, with respect to number of primary schools per lakh population. It is also worthwhile to compare the state's school density with that of similar and neighbouring state of Uttarakhand.

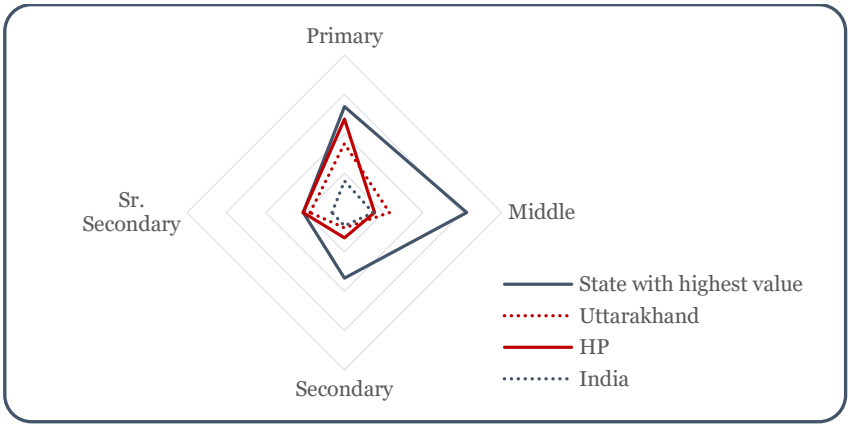
Table V.7: State-wise Institutes per Lakh Population

States/UTs	Primary Schools	Middle Schools	Secondary Schools	Sr. Sec. Schools	Colleges	Technical
Andhra Pradesh	1176	410	775	154	49	15
Arunachal Pradesh	1683	1879	459	307	23	7
Assam	1702	837	688	233	15	2
Bihar	353	621	89	163	7	1
Chhattisgarh	1316	1103	243	435	24	2
Gujarat	303	1101	245	415	31	4
Haryana	481	384	338	472	33	7
Himachal Pradesh	2377	770	645	1050	47	11
Jammu & Kashmir	1554	2139	983	302	23	8
Jharkhand	768	936	293	144	8	2
Karnataka	613	1300	825	352	53	18
Kerala	426	279	171	312	45	15
Madhya Pradesh	1313	1283	284	341	24	4
Maharashtra	679	685	488	277	33	17
Manipur	823	744	958	310	28	6
Meghalaya	2693	1846	1075	284	19	6
Mizoram	1652	3113	1671	505	25	12
Nagaland	744	813	789	376	28	7
Odisha	1056	1031	686	125	23	8
Punjab	680	431	541	691	34	13
Rajasthan	588	920	386	696	35	5
Sikkim	2060	1011	628	430	25	9
Tamil Nadu	800	305	250	364	35	13
Telangana	680	405	1026	254	50	13
Tripura	907	655	413	352	12	2
Uttar Pradesh	742	680	129	224	28	4
Uttarakhand	1752	1148	390	872	37	13
West Bengal	1136	211	101	244	13	4
A & N Islands	808	546	654	722	16	0
Chandigarh	23	96	185	221	13	4
D & N Haveli	605	552	114	151	12	2
Daman & Diu	459	513	563	640	16	3
Delhi	237	146	70	333	8	5
Goa	1040	192	1111	511	31	6
Lakshadweep	318	570	51	896	0	0
Puducherry	298	132	546	450	46	8
All India	803	730	338	313	28	7

Source: NCAER compilation using Union Economic Survey 2019-20, AISHE-2018-19, NSS 75th Round- 2017-18

v. Figure V.4 presents the school density by levels of education for Himachal Pradesh, Uttarakhand (Similar Region State), with the highest value of school density and all-India average. The figure shows that while the state's performance is better than all-India average for all the four types of schools – primary, middle, secondary and senior secondary – but there is a scope for improvement in the case of middle and secondary schools, when compared with the best performing state for these types.

Figure V. 4: Schools per Lakh Population



Source: NCAER computation using Economic Survey, 2019-20, Volume 2, Government of India and NSS, 75th round data

vi. On number of higher (or tertiary) educational institutes and technical institutes per lakh population too, the state lies among top 10 states, its rank being 4th in the case of colleges per lakh population and 10th in the case of technical institutes per lakh population.

vii. Further, the compilation of the government expenditure on education from different sources suggests that the state's maximum expenditure is incurred on elementary education. With largest share of 54.7 per cent in number of students enrolled in all education categories, the share of expenditure allocated to this level of education is 46.4 per cent (Figure V.3). With the Gross Enrolment Ratio (GER) exceeding 100 per cent[15] (as per U-DISE data, 2017–18) and the Net Enrolment Ratio (NER) more than 90 per cent for both boys and girls, in the case of elementary education this shows that the state is doing great in terms of providing the budding future with valuable education facility with retention rate at 95.9 per cent, the state has almost achieved the required universal elementary education, as envisaged in the National Policy of Education, 1986 and also reiterated in the modified policy in 1992.

viii. On the other hand, number of students enrolled in secondary education is 30.7 per cent of total general education categories and sharing a similar account of 33.7 per cent in expenditure with again GER exceeding 100 per cent irrespective of gender but NER at just 65.3 per cent for both girls and boys clearly calls for the focus of state government on promoting secondary education. According to the SDG-4, universal primary and secondary education is to be achieved by 2030.

[15] *GER is number of students enrolled in a given level of education, regardless of age, as per cent to population of age corresponding to that level, whereas NER is the age-specific enrolment rate.*

ix. Of the total expenditure on education, taking "general" and "technical" together, the share of expenditure incurred on technical education is 3.5 per cent, at Rs. 227.24 crore. This also includes expenditure incurred on Education Technology programme by State Education Department and central government's grant to Jan Shikshan Sansthan along with major contribution by Department of Labour, employment and training.

- **Government Expenditure by Producing Units**

The producing units under each level of education have been categorised into public and private in this study. However, government expenditure is incurred only on public institutes while providing assistance to few private units. While most of expenditure incurred by General Government is on public producing units (or government-run institutions), but part of the government expenditure is also allocated to the non-government institutions, in the form of assistance, because of which these are also termed as private-aided units. Also included in the private producing units are NGOs (Jan Shikshan Sansthan) working in the area of imparting vocational training but receiving grant from the central government.

Table V.8 presents the values of government expenditure on public and private producing units, across all levels of education. Also presented are the number of students enrolled in these producing units.

Table V.8: General Government Expenditure on Producing Units

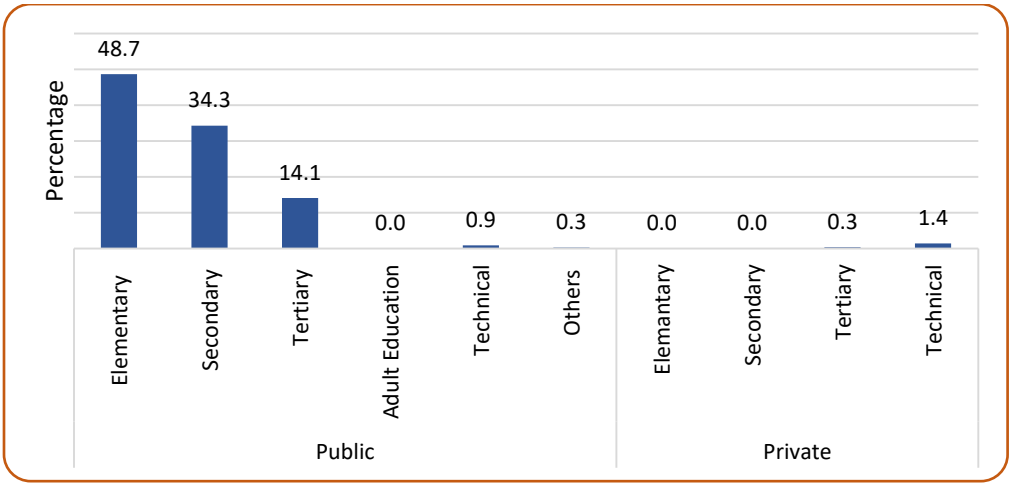
	Expenditure (Rs. crore)		Number of students enrolled	
	Public	Aids to Pvt Inst.	Public	Private
Elementary	2,959.79	0.12	4,67,212	4,59,960
Secondary	2,084.04	0.3	3,60,491	1,59,317
Tertiary	856.45	19.58	1,66,177	18,362
Adult Education	0.44	-		
Technical	56.41	88	29,338	33,233
Others	15.58	-		
Total	5,972.70	108	**10,23,218**	**6,70,872**

Source: NCAER computation

Of the total government current expenditure of Rs. 6080.70 crore, a major share of 98.2 per cent is spent on public sector units and the remaining 1.8 per cent is allocated for private units as grants or assistance. Figure V.5 presents the per cent distribution of government expenditure on all types of producing units. Figure V.6 presents the per student expenditure incurred by general government across different levels of education.

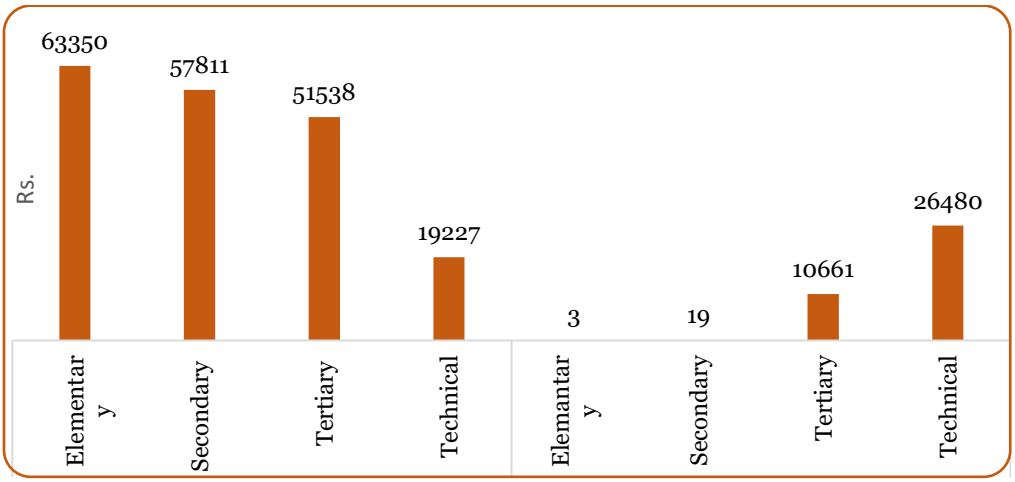
It may be noted that to derive the per-student expenditure, the expenditure incurred by general government (Centre, state and local) on each level of education is taken as a ratio to the number of students enrolled in corresponding level. In the case of technical education, the number of students enrolled are those who are enrolled in technical institutes, like colleges/universities with courses on technical education, polytechnics, industrial training institutes (ITIs), etc. Hence, in this case, the government's expenditure on technical education, as per the DDG of Department of Education has only been taken into account and central government's grant to various JSS have also included.

Figure V. 5: Government Expenditure on Types of Producing Units (% Distribution by Levels)



Source: NCAER computation

Figure V. 6: Per-student Government Expenditure by Types of Producing Units and Levels of Education (in Rs.)



Source: NCAER computation

Key Highlights

i. Of the total revenue expenditure, less than 2 per cent, i.e., only 1.78 per cent was spent on providing assistance to the private institutions in the state (From Table V.8) and this is entirely towards the expenses on staff salaries.

ii. The percentage distribution of total expenditure by all types of producing units and levels of education reveal that the highest share of government expenditure, at 48.7 per cent, is towards the elementary level of education among the public sector units (Figure V.5).

iii. The share keeps on decreasing as the levels increase, 34.27 per cent in secondary education and just 14.08 per cent in tertiary level.

iv. The per-student expenditure for public sector is also the highest in the case of elementary education with Rs 63,350 spending on each child for developing their base foundation. The per-student expenditure shows a decreasing trend as we go up the educational level. However, the same shows an increasing trend in the case of private units, indicating that government's focus on higher levels of education is towards providing assistance to private institutions.

v. While the expenditure incurred on public technical education is only 0.93 per cent of total government expenditure on education, but due to low enrolment rate in this level, the per-student expenditure works out to be significant at Rs. 19,227. This includes expenditure on Polytechnic institutes, accounting for a share of 73 per cent; engineering or technical colleges and institutes, accounting for another 22.8 per cent; and the remaining 5 per cent on account of administration expenses.

- **Government Expenditure by Activities**

The activities on which the revenue expenditure is spent are categorized as follows:

- Staff Cost
- Teaching related goods and services
    - Other recurrent (grants and subventions, water, electricity, office supplies, etc.)
- Capital goods, comprising office furniture and equipment, purchase of staff car, machine and accessories, computer hardware and software, for teaching related activities
- Ancillary services, comprising boarding, meals, health and transport
- General Administration
    - Staff Cost
    - General Administration related Goods and services
    - Capital goods, comprising office furniture and equipment, purchase of staff car, machine and accessories, computer hardware and software, for general administration related activities
- Scholarships and stipend

The expenditure against these activities is obtained from the object codes of the budget statements. The key activity which accounts for the largest share of revenue expenditure on education is the staff cost which includes remuneration to both teaching and non-teaching staff. Taking all the levels of education together, staff cost accounted with 86.9 per cent of the total revenue expenditure.

It may be noted that within the revenue account, some of the object codes are classified under Capital Goods, as per the ESA guidelines. These include purchase of motor vehicles and machinery and equipment. Table V.9 classifies the object codes with the ESA set of activities.

Table V. 9: Concordance between Budget Object Codes and ESA Activities

ESA Activities	Budget Object Codes
Staff Cost	01: Salary 02: Wages
	03: Travel Expenses
	41: Grants-In-Aid General (Salary)
Textbooks and Other Teaching Material	
Other Recurrent (Grants And Subventions, Water, Electricity, Office Supplies, etc.)	5: Office Expenses 7: Rents, Rates and Taxes 8: Publication 9: Advertising and Publicity 12: Professional and Special Service 15: Training 20: Other Charges 21: Maintenance 30: Motor Vehicles (Outsourced Vehicles/Repairs) 33: Material and Supply 36: Minor Work 64: Transfer Expenses 65: Outsourcing Charges 99: Honorarium 42: Grants-In-Aid General (Non-Salary)
Capital (New Construction, Equipment)	27 : Motor Vehicles (Purchase) 31 : Machinery And Equipment
Ancillary (Boarding, Meals, Health and Transport)	06 : Medical Reimbursement 10 : Hospitality and Entertainment Expenses
Scholarship	40 : Scholarships, Stipends and Concessions
Capital Outlay	37 : Major Work

Table V.10 presents the revenue expenditure on different activities for all the levels of education.

V. 10: General Government Expenditure on Activities

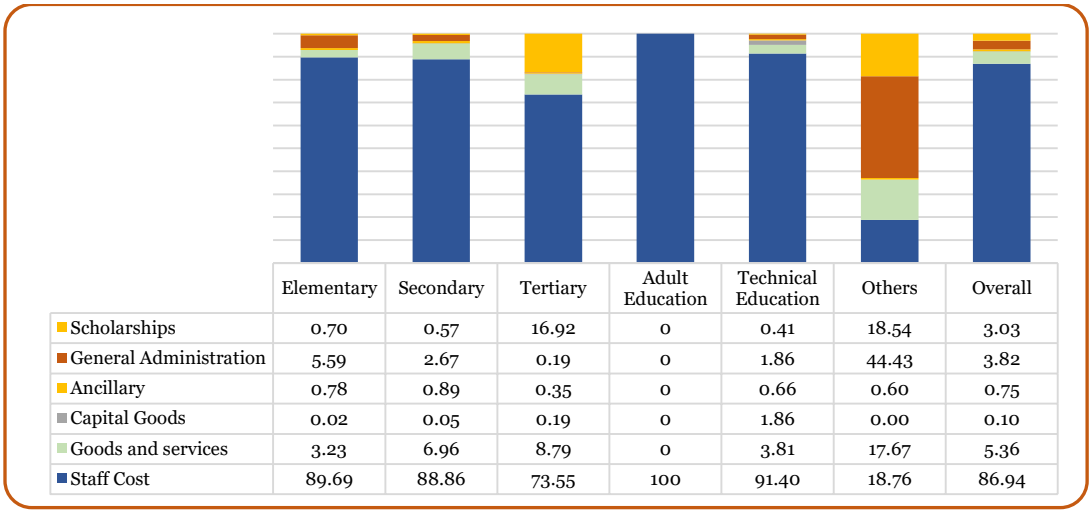
(Rs. crore)

	Staff Cost	Goods and Services	Capital Goods	Ancillary	General Admini-stration	Scholar-ships	Total
Elementary	2,654.7	95.5	0.5	23.0	165.6	20.7	2,959.9
Secondary	1,852.2	145.1	1.1	18.5	55.6	11.9	2,084.3
Tertiary	644.3	77.0	1.7	3.1	1.7	148.2	876.0
Adult Education	0.4	0.0	0.0	0.0	0.0	0.0	0.4
Technical Education	132.0	5.5	2.7	0.9	2.7	0.6	144.4
Others	2.9	2.8	0.0	0.1	6.9	2.9	15.6
Overall	**5,286.5**	**325.91**	**5.97**	**45.58**	**232.45**	**184.24**	**6,080.6**

Source: NCAER computation

Figure V.7 presents the per cent distribution of expenditures by activities across all levels of education.

Figure V. 7: General Government Expenditure by Activities (%Distribution)



Source: NCAER computation

Key Highlights

i. At an aggregate level, staff cost accounts for 86.9 per cent of total expenditure. Goods and services or the recurrent expenditure accounts for another 5.36 per cent (Figure V.7). The recurrent expenditure includes expenses on teaching material, utility services, training programmes, taxes, phone charges, minor repair and maintenance, etc. about 3.8 per cent of the total expenditure is on account of general administration.

ii. The share of staff cost is the highest (more than 85 per cent) for both elementary and secondary education. While at all levels major expenses is on staff remuneration, as major grants allocated in budget is for staff cost.

iii. Goods and services, which also includes other recurrent expenditure, is around 17.67 per cent in the case of others which majorly includes expenditure on sainik schools, NCC camps, G.I.A to sports association, environmental orientation to school and State council of Education and on the other hand it just 3.23 per cent, 6.69 per cent and 8.79 per cent for elementary, secondary and tertiary education respectively.

iv. The distribution of expenditure separately for public and private units already revealed that Government majorly spend on public sector (98.2 per cent) and very less amount is spent on private sector i.e., just 1.78 per cent which majorly goes to staff remuneration.

The detailed ESA table on government expenditure on education is provided in Chapter VI. The ESA format requires staff cost to be disaggregated into teaching and non-teaching categories. But the government budget data does not provide the remuneration by teaching and non-teaching staff. Hence, the disaggregation into these categories has been done using the distribution as observed in the primary survey on educational units, conducted in the state (Details of survey to be discussed in Section V.3).

Also, in order to present data by all levels of education, the major head of "Elementary Education" has been disaggregated to "Up to Primary" and "Middle" using the disaggregation ratios obtained from the primary survey conducted on Educational Units in the state. Similarly, major head of "Secondary Education" is split into "Secondary" and "Senior Secondary". The training expenditure by other departments is clubbed with the recurrent expenditure for "Technical education".

V.2. Private Expenditure by Households

Payments from households, as course fee and all other types of fees are considered as a major source of revenue for all types of producing units – public and private. This section focuses on the expenditure incurred by households on education provided by these types of producing units. The data source for estimating the household expenditure on education is the survey conducted by National Sample Survey Office in its 75th round of survey titled "Social Consumption on Education in India" during 2017–18. The unit level data of the survey has been used to derive the expenditures by levels of education and by types of financing units.

The survey collected data on expenditure incurred by households on different items related to attainment of education of the household members. The survey also collected data on expenditure incurred by households on their erstwhile members, who were attending education during the survey period.

The following aspects on coverage of household expenditure have been taken into account:

- The total number of students enrolled, as per NSS survey, is estimated at 16.94 lakh.

- The household surveys are generally subject to under-reporting, mostly due to recall errors. This is also evident from the fact that the overall household consumption expenditure is grossly under-estimated when compared with the Private Final Consumption Expenditure (PFCE), as provided in National Accounts Statistics. The all-India household expenditure on Education, as provided by the survey, was compared with the corresponding PFCE on Education, as given in the latest NAS-2019, for 2017–18. It is found that the All-India consumption expenditure, as per NSS estimates, is just about 69.3 per cent of the PFCE. Assuming that the extent of underreporting at state-level is the same as that at all-India level, the consumption expenditure on Education, for Himachal Pradesh, is adjusted using the correction factor of 1.44.

- **Household Expenditure by Levels of Education**

The survey collected expenditure details for the general and technical education by various levels of education. The general education also includes non-formal education, which is kept out of the scope of ESA. The mapping of NSS levels of education with those of ESA is presented in Table V.11.

Table V.11: Mapping between NSS and ESA Levels of Education

NSS	ESA
General Education	
- **Non-formal**	Not covered
• literate without any schooling	
• literate without formal schooling	
- **Formal**	Covered
• below primary	Up-to primary
• primary	
• upper primary/middle	Middle
• secondary	Secondary
• higher secondary	Senior Secondary
• diploma /certificate course (up to secondary	Secondary
• diploma/certificate course(higher secondary)	Senior Secondary
• diploma/certificate course(graduation & above)	Tertiary
• graduate	Tertiary
• post graduate and above	Tertiary
Technical Education	Technical

Source: NCAER compilation

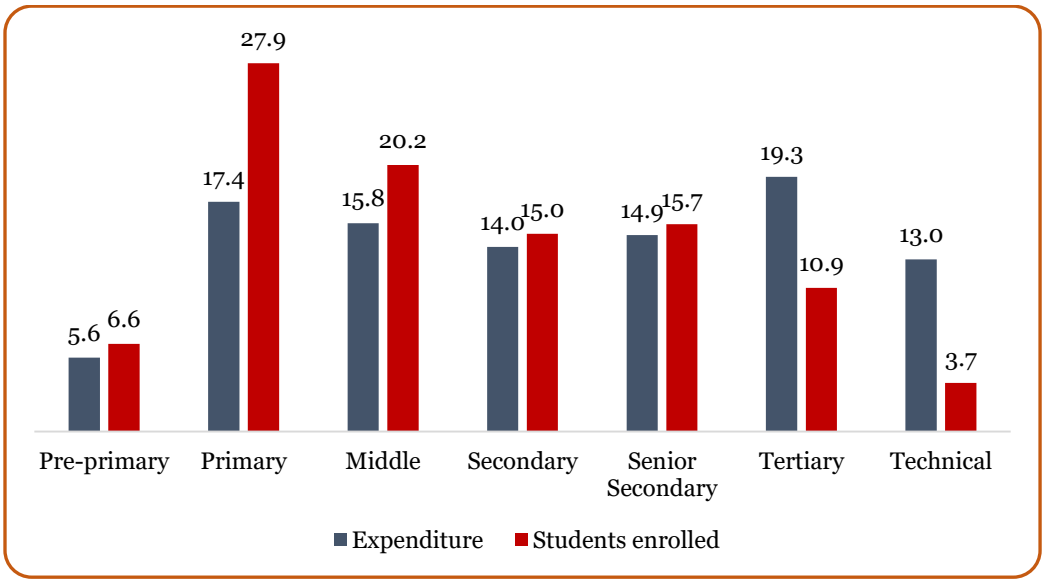
In all, households spent Rs. 3730.8 crore on educational attainment in 2017–18. The following table presents the household expenditure across different levels of education. Table V.12 and Figure V.8 present the percentage distribution of expenditure and students enrolled across the levels of education.

Table V.12: Household Expenditure and students enrolled by levels of education

	Total expenditure (Rs.	Total students
Pre-primary	208.8	112364
Primary	649.0	472661
Middle	588.7	342147
Secondary	521.9	253695
Senior Secondary	555.6	266113
Tertiary	720.1	184539
Vocational/Technical	486.7	62571
TOTAL	3730.8	1694090

Source: NCAER compilation

Figure V.8: Expenditure and Students Enrolled (% Distribution)



Source: NCAER compilation

Key Highlights

i. After correcting for underestimation (as discussed above), the households' expenditure on education is estimated at Rs. 3730.8 crore. Total state household annual consumption

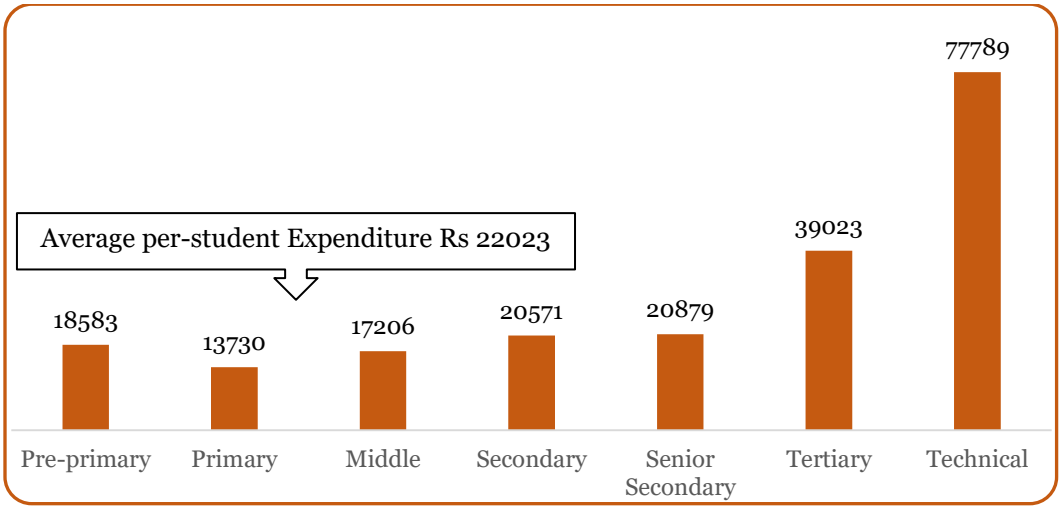
expenditure is estimated at Rs. 70,209 crore. Hence, households spent 5.3 per cent of their total expenditure on education.

ii. For the school education, the proportion of students enrolled is higher than the proportion of expenditure incurred therein, for each level of education. For levels of education beyond "senior secondary", the proportion of students enrolled is much less than the proportion of expenditure incurred (Figure V.8).

iii. The pattern of level wise per-student education expenses as shown in Figure V.9 reveals that education expenses increase with the increase in level of education. It stands at Rs. 18583 for pre-primary education (Figure V.9) and from Rs. 13,730 for primary education, the per-student per-annum expenditure increases about one and a half times to Rs. 20, 879 in the highest level of school education, that is, senior secondary.

iv. It further increases to Rs. 39,023 for tertiary education, which is close to three times the lowest level of formal school education. The technical education is the most expensive, at Rs. 77,789 per student per annum. This notably, is 5.7 times the expenditure incurred on primary level of education and twice that incurred on tertiary education. To be specific, technical education includes post-graduation, under-graduation and diploma in the whole spectrum of education covering engineering/technology, pharmacy, architecture, hotel management and catering technology, management studies, computer applications and applied arts and crafts. On an average, the per-student cost of education attainment in the state is estimated at Rs. 22023.

Figure V.9: Per-student Household Expenditure on Education



Source: NCAER compilation

v. The increasing cost of education partly explains the decreasing Gross Enrolment Ratios (GAR). The GAR for primary level of education stands at 104.5 per cent (Source: U-DISE), which decreases to 86 per cent for senior secondary level and to 37.9 per cent for higher education (Source: AISHE).

- **Household Expenditure by Producing Units**

The NSS survey also collected the expenditure on education by types of institution, classified into:

- government
- private aided
- private
- not known

For the purpose of preparing ESA, these types of institutions are categorized into public (government) and private which includes private aided, private and 'not known' producing units.

Table V.13 presents the values of household expenditure on these types of producing units, across all levels of education. Also presented are the number of students enrolled in these producing units.

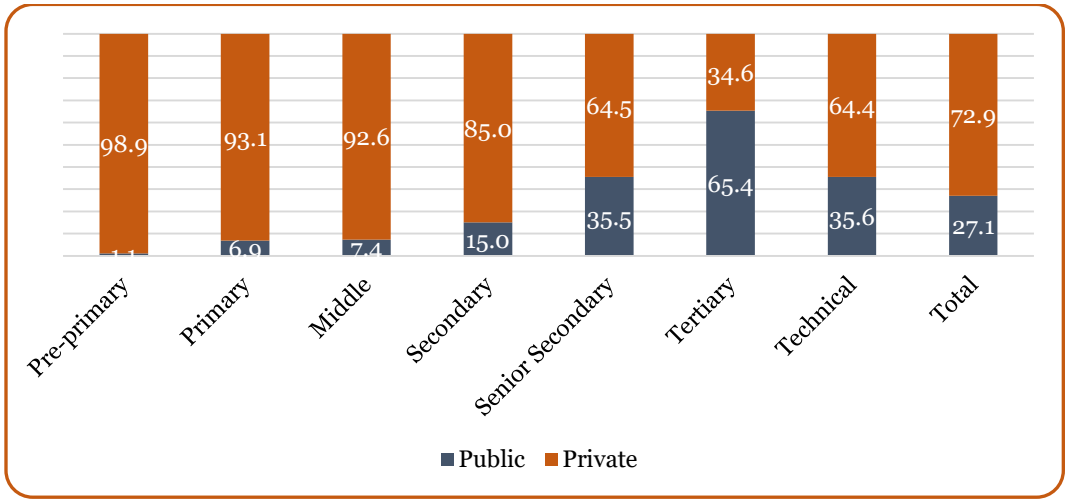
Table V.13: Household Expenditure on Producing Units

	Expenditure (Rs crore)		Number of students enrolled	
	Public	Private	Public	Private
Pre-primary	2.3	206.5	26222	86142
Primary	44.5	604.5	261569	211092
Middle	43.3	545.4	179421	162726
Secondary	78.3	443.6	153617	100078
Senior Secondary	197.3	358.3	206874	59239

Source: NCAER compilation

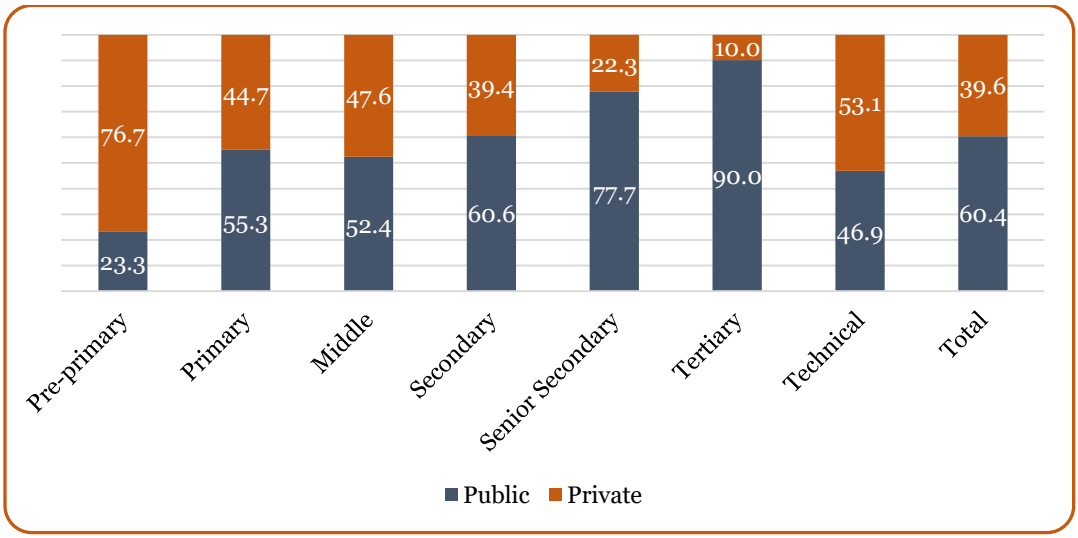
Of the total household expenditure of Rs. 3730.8 crore, only 27.1 per cent is spent on public institutes and rest 66.8 per cent is spent on private ones. Figure V.10 presents the per cent distribution of household expenditure on public and private producing units across all levels of education and Figure V.11 presents the per cent distribution of students enrolled in these producing units and levels of education.

Figure V.10: Household Expenditure by Types of Producing Units (% Distribution)



Source: NCAER compilation

Figure V.11: Students Enrolled by Types of Producing Units (% Distribution)



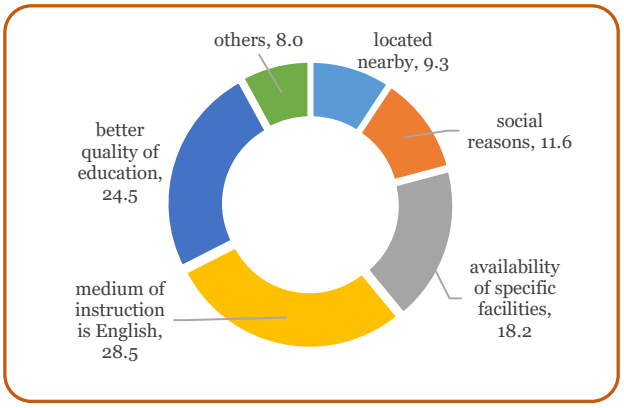
Source: NCAER compilation

Key Highlights

i. The low proportion of enrolment as well as household expenditure in the public units for pre-primary education indicates that this level of education is mostly provided by private units.

ii. The share of students enrolled in public units is high at 55.3 per cent in the case of primary education and a little low at 52.4 per cent in the case of middle education. Thereafter, the share of students in public units keeps on increasing till tertiary level. For technical level of education, the share of students enrolled in public units is a little less (46.9 per cent) than that enrolled in private units.

Figure V.12: Distribution of Reasons for Attending Private Institutions



Source: NCAER computation using NSS, 75th round survey data.

iii. At aggregate level, while the enrolment is higher in public units but the share of household education expenditure in these units is only 27.1 per cent. This points towards the higher cost of education when attained from private units.

iv. Overall, 60.4 per cent of total students were enrolled in government institutions, while the rest of 39.6 per cent joined the private institutions. High share of enrolled students in public units indicates towards their higher penetration and the preference of public institutions in the state.

v. Nonetheless, it is important to note the reasons for parents opting for private institutions, despite these being notably expensive. The NSS household survey attempts to collect the information related to this. The survey found that medium of instruction as English (28.5 per cent), followed by better education quality (24.5 per cent) and availability of specific facilities (18.2 per cent) are among the major reasons given by the households for opting private institution (Figure V.12).

vi. At tertiary level of education, the proportion of students enrolled in public units is significantly high at 90 per cent.

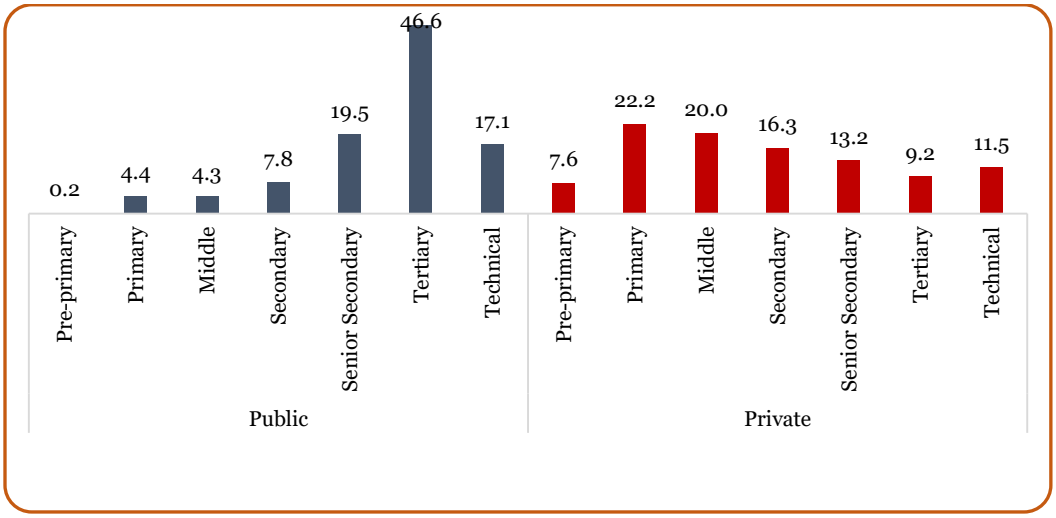
vii. Expenditure incurred is also high in public units, at tertiary level (65.9 per cent).

viii. The distribution of households' expenditure in each of the producing units by levels of education reveals that the highest proportion of households' expenditure incurred in

public units is on the attainment of tertiary education (Figure V.13). This proportion stands at 46.6 per cent, where the corresponding level of students enrolled stands only at 16.2 per cent of the total enrolled in public units (Figure V.14).

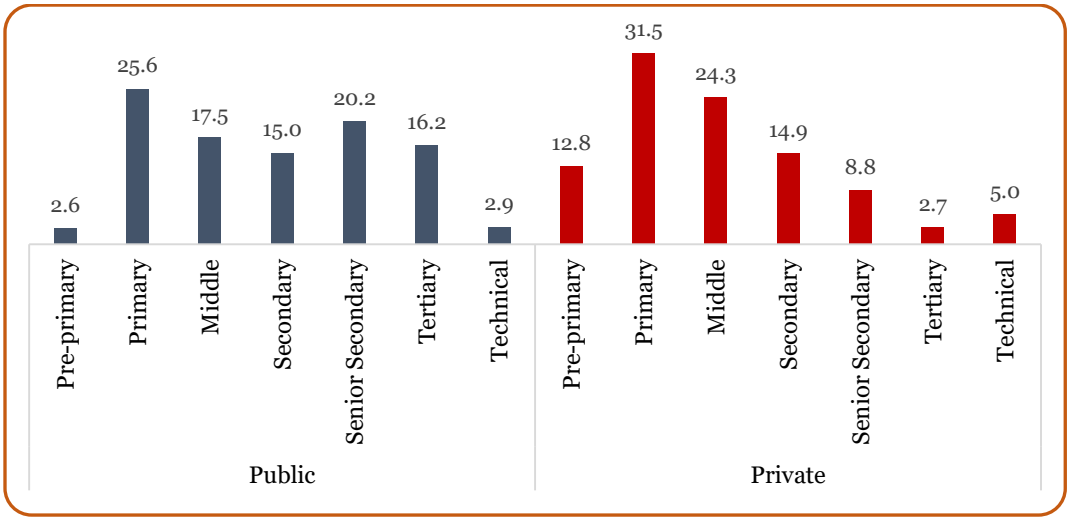
ix. Among private units, most of the household expenditure is incurred in the attainment of school-level education (Figure V.13).

Figure V.13: Household Expenditure by Levels of Education within Each Producing Unit (% Distribution)



Source: NCAER compilation

Figure V.14: Students Enrolled by Levels of Education within Each Producing Unit (% Distribution)



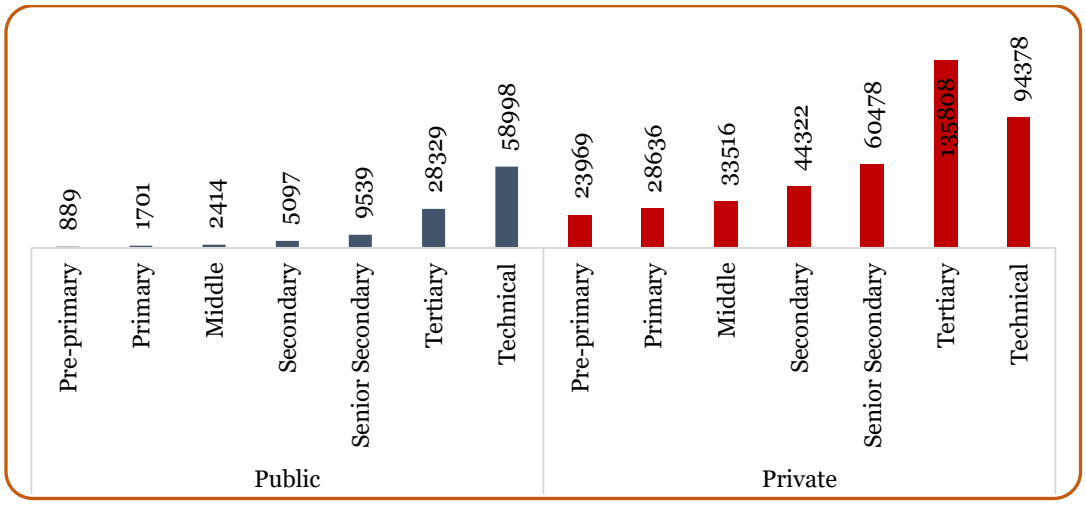
Source: NCAER compilation

x. With respect to average per-student expenditure, at an aggregate level, the expenditure incurred in attaining education from private units (Rs. 40562) is 4 times the expenditure incurred in public units (Rs. 9867).

xi. As expected, households spent many times more in private units, for each level of education level, than in public units. This variation is exceptionally large at lower levels but keeps decreasing with the increase in levels of education. Public schools, cost just Rs. 889 and Rs. 1701 only per student annually, for pre-primary and primary education respectively, while for attaining the same level of education from private units, households spent Rs. 23969 and Rs. 28636 (Figure V.15).

xii. Tertiary education is the most expensive level of education provided by private units. It costs around Rs. 1.36 lakh annually to attain tertiary education from private units. On the other hand, among public units, technical education is the most expensive level of education which costs around Rs. 58,998 annually.

Figure V.15: Per Student Household Expenditure by Types of Producing Units and Levels of Education (in Rs.)



Source: NCAER compilation

- **Household Expenditure by Activities**

The items on which households spend, also referred to as activities in ESA, are the following:

- Course fee
- Books, stationary, and uniform
- Transport
- Private coaching

- Other expenditure
- Expenditure on course other than basic course
- Expenditure on preparation for higher studies

Of these items, course fee, which includes tuition fee, examination fee, development fee and other compulsory payments, is the payment to the institute. In some cases, transport is also provided by the institute. Rest of the items are education connected products and services which are purchased from outside educational institutions. Hence, for ESA purpose, course fee and transport fee (if transportation is provided by the school) are put under the recurrent expenditure on goods and services, while others are put under payments outside educational institutions.

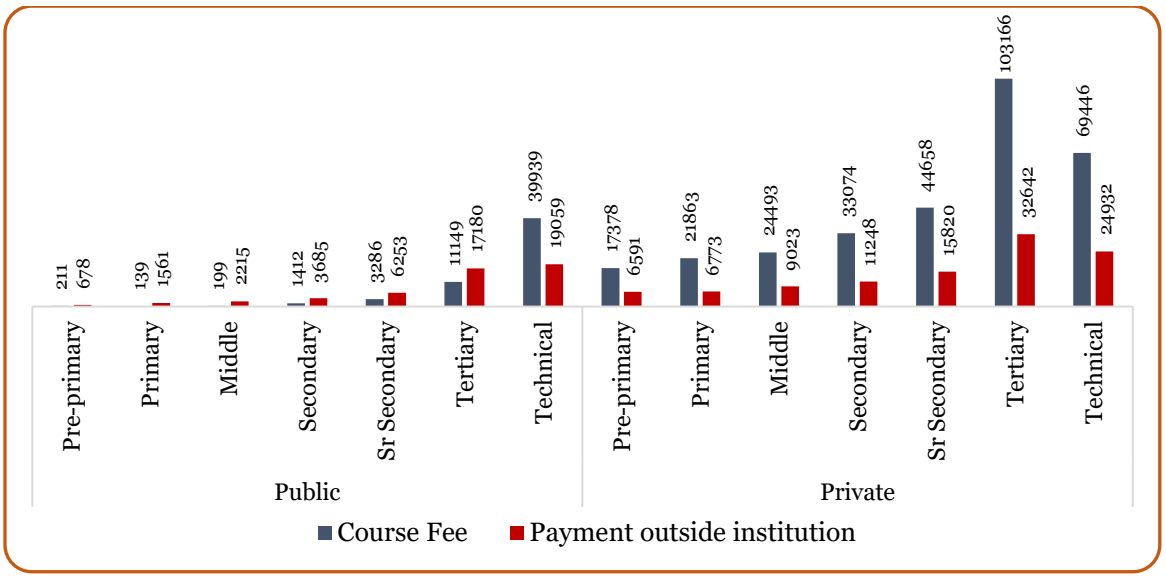
This section presents the analysis of household expenditure on all the items. Table V.14 presents the values of expenditure incurred by households on different activities, when enrolled in public and private institutes. Figure V.16 presents the per-student expenditure incurred by households on course fee or payments to the institute and payments outside the institute, to support attendance. Figure V.17 presents the percentage distribution of household expenditure by course fee and payments outside institution, across all levels of education.

Table V.14: Households Expenditure on Activities (Rs crore)

		Course Fee	Books, stationery, and uniform	Transport not organized by school	Others (snacks, etc.)	Private Tuition
Public	Pre-primary	0.6	1.5	-	0.2	-
	Primary	3.6	33.6	2.5	3.6	1.1
	Middle	3.6	30.9	2.3	5.1	1.5
	Secondary	21.7	48.2	3.6	4.1	0.6
	Senior Secondary	68.0	102.1	15.0	10.6	1.7
	Tertiary	185.3	129.3	128.3	18.5	9.4
	Technical	117.2	21.7	25.8	8.4	-
Private	Pre-primary	149.7	38.5	14.6	3.4	0.3
	Primary	461.5	111.6	11.1	13.1	7.2
	Middle	398.6	108.0	15.4	17.5	6.0
	Secondary	331.0	74.6	15.0	10.4	12.5
	Senior Secondary	264.6	53.5	6.3	9.8	24.1
	Tertiary	189.4	23.9	28.8	6.7	0.5
	Technical	230.8	28.0	29.6	21.4	3.8
Total	Public	399.9	367.4	177.5	50.5	14.3
	Private	2,025.5	438.0	120.7	82.4	54.5
	Total	**2,425.4**	**805.4**	**298.2**	**132.9**	**68.8**

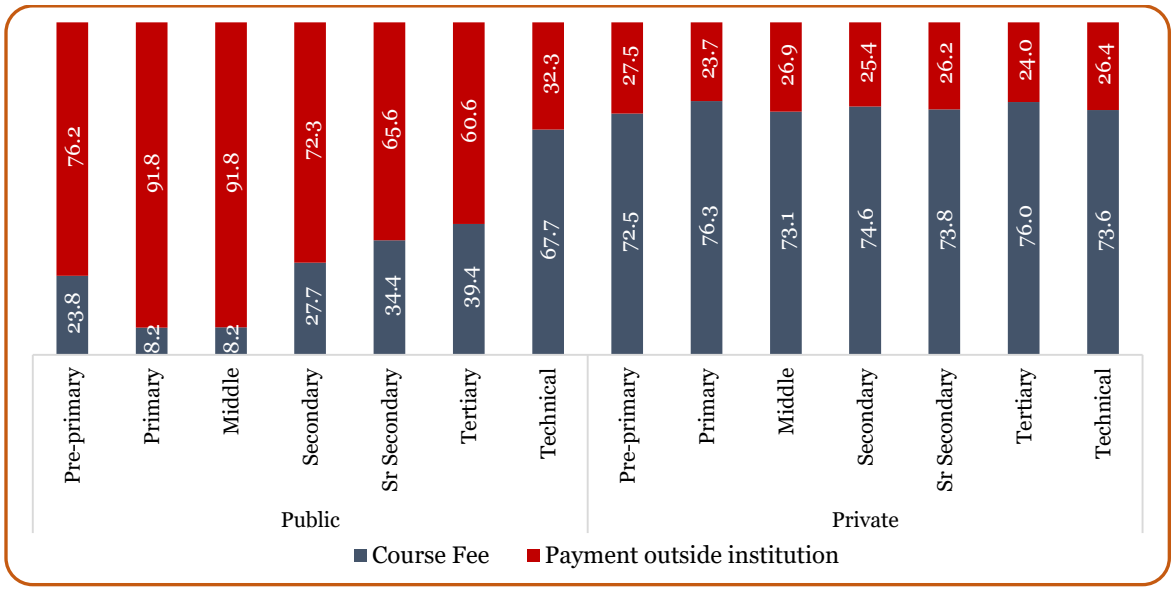
Source: NCAER compilation

Figure V.16: Per-student Expenditure on Course Fee and Payments outside Institute (in Rs.)



Source: NCAER compilation

Figure V.17: Household Expenditure by Course Fee and Payment Outside Institute (% Distribution)



Source: NCAER compilation

Key Highlights

i. Households spent a total of Rs. 2025.5 crore on course fee for attaining education from a private institute (Table V.14), which is 5 times higher than that charged by the government-run education system. This is despite the fact that the total students enrolled, across all levels of education taken together, in private institutes are only 6.71 lakh, whereas those enrolled in public institutes are more than 10 lakh.

ii. In the case of enrolment in private institutes, maximum expenditure is incurred on course fees, its share being 74.4 per cent in total expenditure (Figure V.17). The additional expenditure incurred in purchasing books, stationery, uniform, transportation, etc., which are payments outside the institution of enrolment, accounted for the remaining 25.6 per cent. The similar distribution is seen across all levels of education.

iii. On the other hand, in the case of enrolment in public institutes, course fee accounts for only 39.6 per cent, at aggregate level, with 60.4 per cent of the expenditure incurred on goods and services outside the educational institution. For primary and middle level, course fee accounts for just 8.2 per cent in public institutes, indicating highly subsidized education at lower levels of education, in order to attain 100 per cent enrolment.

V.3. Other Private Expenditure

Private entities are the third type of financing units. As mentioned earlier, transfers paid by private entities are not available and are also difficult to collect as these entities may be of various types, like private corporates, private-funded NGOs, donor agencies or philanthropic individuals. Hence, the data on payments received are collected from the producing units to which these transfers are made, that is, in most cases, private institutions. For the sake of simplicity in the collection of data, total expenses of producing units are collected in the survey as total revenue of an institute equals its total expense.

For these private units, while household payments are the significant source of revenue, there are other sources like donations from philanthropists, assistance from NGOs or their self-raised finances through, say, commission on sale of products to parents[16]. To capture the total revenue generated and expenditure incurred by the private institutes, a primary survey of these institutes was conducted in all districts of Himachal Pradesh. It may be noted that since the receivables from households (as fee, etc.) are also captured in the survey, the household expenditure on private

[16] *Commissions on sale of products to parents (e.g., textbooks and uniforms) can constitute close to 20% of an Affordable Private Schools' net earnings. Source: https://www.fsg.org/sites/default/files/Understanding%20the%20Affordable%20Private%20School%20Market%20in%20India.pdf*

institutes should not be taken into account in the derivation of total education expenditure in the state, to avoid double-counting.

While for ESA purpose, the expenditures of only private institutes are required[17], the primary survey was conducted on public units also. This section presents the expenditure of these producing units by different levels of education and activities.

The broad objectives of the survey were to collect information on:

- Ownership status of the institute
- Number of employees – teaching and non-teaching; contractual and regular; by gender and by different job-roles
- Details of expenditure incurred by the institutes on different activities, including compensation to staff; ancillary items; utility charges; regular maintenance charges; and capital expenditures etc.
- Values of financial support and grants received from different sources, including households

Most of these were obtained across different levels of education.

The primary survey was conducted by DES, Himachal Pradesh. The state of Himachal Pradesh is divided into two NSS regions namely, Central region and Trans Himalayan/Southern region. Of the total twelve districts in the state, five are a part of the Central region and the other seven fall in Trans Himalayan/Southern region. All the districts were covered in the survey in order to cover all the variations across the state.

The selection of educational units, from these selected districts, was done based on the census (2011) data on number of educational institutions located in these districts. For the purpose of the study, the sample was required to be representative of all levels of education, as classified in the census data. Table V.15 presents these levels of education and their concordance with the ESA levels of education.

[17] This is because payments received by public and private-aided institutes are the combination of transfers made from general government and households, both of which have already been collected and discussed in previous sections.

Table V. 15: Levels of Education Selected for Survey and Their Concordance with ESA Levels

Survey Levels of Education	ESA Levels of Education
Pre Primary	Up to Primary
Primary	Up to Primary
Middle	Middle
Secondary	Secondary
Senior Secondary	Senior Secondary
Degree OR PG College – Arts/Science/Commerce/Law	Tertiary education
Medical College	Tertiary education
Engineering College	Technical education
University	Tertiary education
Management Institute	Technical education
Polytechnic	Vocational/Polytechnic
Distance Learning	Others
Teacher Training	Others
Vocational Education or Industrial Training	Technical education
Coaching Institute	Others
Non-formal Education	Non-formal
Special School for Disabled	Others
Shorthand, Typewriting, MS Office, DTP	Others
Others	Others

Source: NCAER compilation

The sample size for each district was so selected that the following points were taken care of:

- For each level of education, sample was selected from both rural and urban areas.
- The sample from both these areas was representative of both government and private units.
- A maximum of 15 units were selected from these government and private categories in both rural and urban areas, for each level of education.
- For some of these levels, there was no unit in districts, due to which no sample units were allocated to that category.

Taking all these into account, the sample size worked out to be 1753 educational units that were targeted to be surveyed from the state. However, final usable data was from 1341 educational institutions/units from all the districts, 975 from rural areas of the sample districts while 366 come from the urban areas.

The methodology to derive the total expenditure in the state using the sample data is based on the recommended methodology in the UNESCO's "Methodology of National Education Accounts" that "a sample survey of private institutions is recommended if their audited financial statements are not centralized or easily available. The methodology also suggests that the processing of

primary survey data leads to figures on average financing and spending per student and the global estimates, that is, estimates for the population can be derived using enrolment numbers."

Hence, the estimates of expenditure were obtained by multiplying the sample per-student expenditure for a level of education with the total number of students enrolled in that level of education, as obtained from U-DISE data. Based on this estimation procedure, the expenditure incurred by producing units are presented as follows:

- **Other Private Expenditure by Levels of Education**

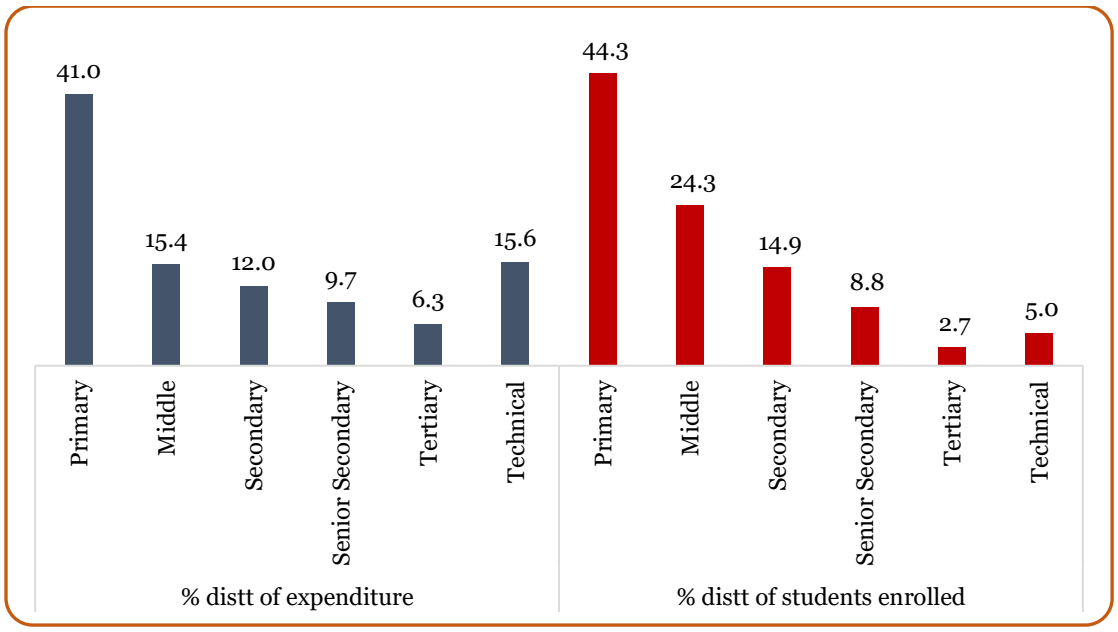
The total expenditure incurred by the producing units (school levels of education), both public and private types put together, is estimated at Rs. 7970.19 crore for all levels of education covering primary to senior secondary, tertiary and technical. This value stands at Rs. 5624.85 crore for public units and Rs. 2345.34 crore for private units. These public and private producing units are financed by general government and households, both of which have been covered in the previous sections in which expenditures on these producing units are presented through the transfers made by the financing units.

It may be noted that government expenditure, as obtained from the budget statements of various departments, at Rs. 6423.59 crore is much higher than the expenditure incurred by public producing units. This is because of a significant expenditure on various schemes, of which the beneficiaries are not just the producing units but individuals and communities. It is, therefore, preferred that the expenditures are collected from the public financing unit rather than public producing units. For the same reason, for the calculation of Total Education Expenditure, the government expenditure, as the financing unit, is taken into account.

Similarly, households are the key financing unit for the private producing units. However, in the case of private producing units, while households are the significant source of finance but they are not the only source. This is evident from the fact that households' payments to private units, which includes only course fee and other payments to the institutes, at Rs. 2025.5 crore (Table 6, Section V.2), is about 86 per cent of total expenditure incurred by private units, at Rs. 2345.34 crore (it should be noted that total expenditure equals the total revenue from all sources). Hence the remaining payments may be attributed to other sources of finance like donations, self-finance, commission from sale of merchandise or interest income from term deposits. Besides, under the Right to Education Act 2009, private schools get a per-student reimbursement form government on giving 25 per cent of their seats to disadvantaged children.

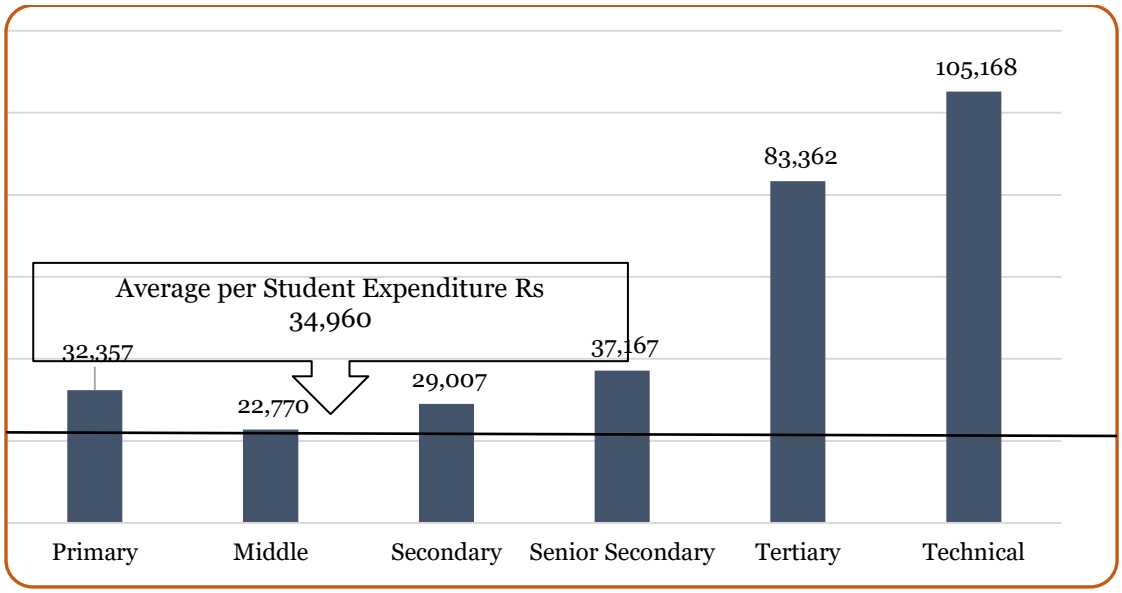
Figure V.18 presents the percentage distribution of expenditure incurred by private units by levels of education. Also presented is the percentage distribution of students enrolled in these levels of education. Figure V.19 presents the level-wise average annual per-student expenditure.

Figure V. 18: Expenditure and Students Enrolled by Levels of Education in private units (% Distribution)



Source: NCAER computation

Figure V.19: Per-student Expenditure in a Private Unit (Rs.)



Source: NCAER computation

Key Highlights

i. The expenditure incurred by private producing units, which also represents the expenditure incurred by private financing units (households and others), is estimated at Rs. 2345.34 crore. This is 1.2 times the household payments to these units as course fee and other payments to the institutes.

ii. The private schools spend 41.0 per cent of their total expenditure on their primary level of education while the students enrolled in this level constitute 44.3 per cent of total enrolled in schools (Figure V.18).

iii. For middle and secondary levels of education also, the proportion of expenditure is slightly less than the corresponding proportion of students enrolled. However, at the senior secondary and higher level of education, the proportion of students enrolled is lower than the proportion of expenditure in the corresponding level. The greater allocation to higher levels of school education owes to greater expenses on items like lab equipment, computers, special tutorials, etc.

iv. The per-student expenditure on primary level is Rs. 32,357, which is even higher than the middle (Rs. 22,770) and senior level (29,007). This could be because of the provision of better infrastructure to attract more students at the entry level itself. The per-student expenditure shoots up to Rs. 83,362 in the case of tertiary level and Rs. 1.05 lakh in the case of technical level. (Figure V.19).

v. The average per-student expenditure, taking all levels together, is estimated at Rs. 34,960.

- **Other Private Expenditure by Activities**

The survey collected data on expenditure incurred by schools on all items of expenditure. The most significant item is the remuneration to staff, comprising teachers and non-teachers. The details of remuneration included wages and salary, social security contribution, bonus and allowances and other payments. These were collected for both permanent and non-permanent staff. Non-teaching staff included administrative staff, library staff, medical staff and other personnel like housekeeping staff, guards, drivers, conductors, etc.

Various other details of expenditure were also collected. The items of expenditure are mapped with the ESA categories of activities as presented in Table V.16.

Table V. 16: Mapping of Survey Items of Expenditure with ESA Activities

ESA set of activities			Items of expenditure – primary survey
Teaching activities	Staff Cost	Teaching	Permanent and Non-Permanent
		Non-teaching (Administrative Staff, Library Staff, Medical Staff, Other Personnel)	Permanent and Non-Permanent
	Goods and Services	Textbooks and other teaching material	Textbooks and Stationary
		Other Recurrent (Grants and subventions, Water, Electricity, Office Supplies, etc.)	Electricity Charges
			Building Rent
			Telecommunication and Internet Charges
			Water and Sanitation Expenses
			Regular Maintenance
			Fee Waivers for Economically Weaker Section (EWS) Students
			Taxes paid by the Institution
			Other Expenditure
	Capital (Equipment)		Furniture (Desk, Chairs, Chalk Boards, White Boards)
			Smart Boards and Related Equipment
			Computers and Related Software
			Other Infrastructural Equipment
Ancillary Services			Laboratory
			Transportation provided by Institution***
			Medical Facilities
			Legal and Professional Charges/Consultancy Charges/ Audit Expenses/Guest Faculty/ Visiting Faculty, etc.
			Annual Festivals
			Depreciation
			Meals
			Library
Scholarship			Scholarships
Capital Outlay (New Construction, Major Works)			R&D/ Intellectual Property Rights*
			Cost of New Construction
			Cost of Major Renovation
			Acquisition of Land

Source: NCAER compilation

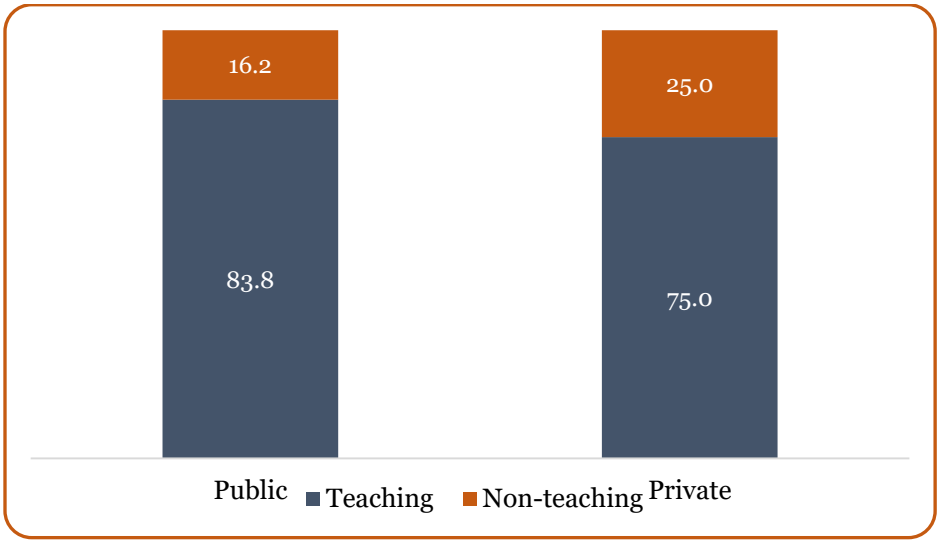
For ESA purpose, data on ESA set of activities are required but some of the other key findings are as follows.

Key Highlights

i. The breakup of staff cost into teaching and non-teaching categories could be captured only through the survey as government budget data does not distinguish between compensation to teaching and non-teaching staff. Since the survey was conducted in both types of producing

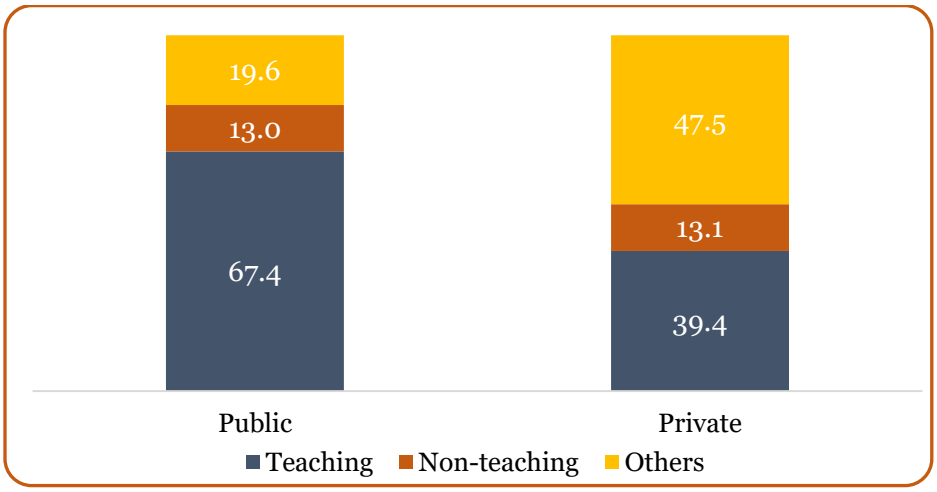
units, the breakup is available for both the types, across the school levels of education. Figure V.20 presents the per cent breakup of staff cost into teaching and non-teaching for all of the categories of producing units. Further, Figure V.21 provides the per cent distribution of expenditure by salaries (teaching and non-teaching) and other expenditure on goods and services.

Figure V.10: Breakup of Staff Cost into Teaching and Non-teaching (%)



Source: NCAER computation

Figure V.11: Total Expenditure by Remuneration and Other Goods and Services (% Distribution)



Source: NCAER computation

ii. As expected, the total remuneration to teaching staff is way higher than that of non-teaching staff in both public and private producing units (Figure V.21). The schools clearly

spend the most on the salaries of teaching staff. However, its proportion is lesser in the case of private schools, as compared with that in public schools. This indicates that the teachers in private schools are paid much lesser than those in government and schools.

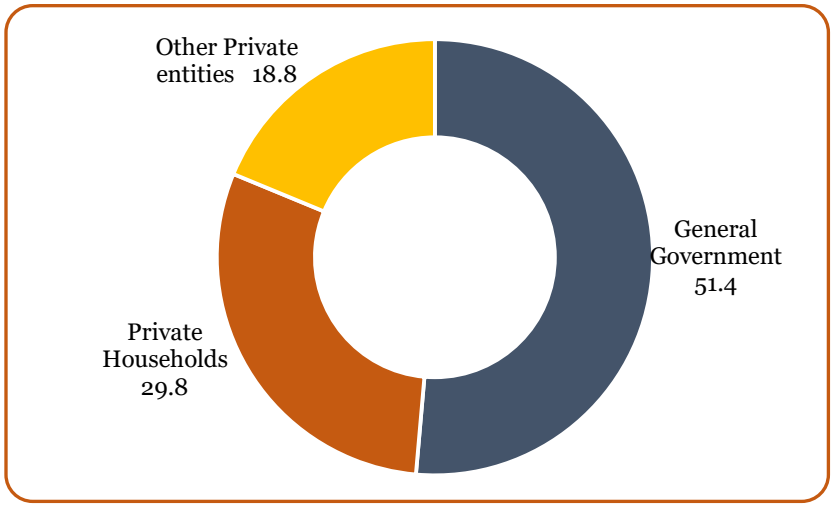
iii. Consequent to the above finding, the survey finds that the proportion of expenditure on other recurrent items in private units is much higher than that in public units.

V.4. Total Education Expenditure

The sum total of general government expenditure, private expenditure by households and other private expenditure on education domain is estimated at Rs. 12,500 crore. This total expenditure on education works out to be 9.03 per cent of the state GDP. This is impressive as according to the National Education Policy - 2020, public sector spending on education is targeted to be 6 per cent of GDP, at national level.

The distribution by financing units reveals that the majority, at 51.4 per cent, is on account of general government expenditure; private households contribute another 29.8 per cent; and the other private entities account for the remaining 18.8 per cent (Figure V.22).

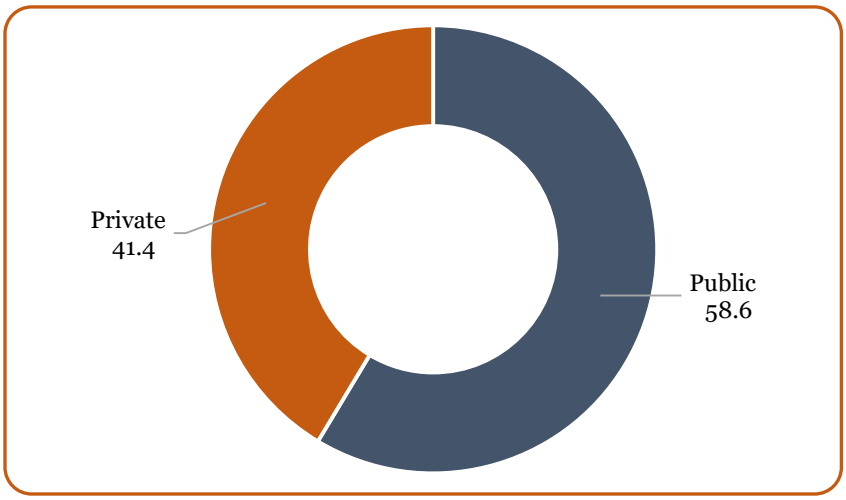
Figure V.12: Total Education Expenditure by Financing Units (% Distribution)



Source: NCAER computation

The distribution by producing units shows that maximum expenditure by all financing units, put together, is incurred on public units or the government-run institutes. Of the total expenditure incurred on education in the state, 58.6 per cent was allocated to public producing units and the remaining 41.4 per cent on private units (Figure V.23).

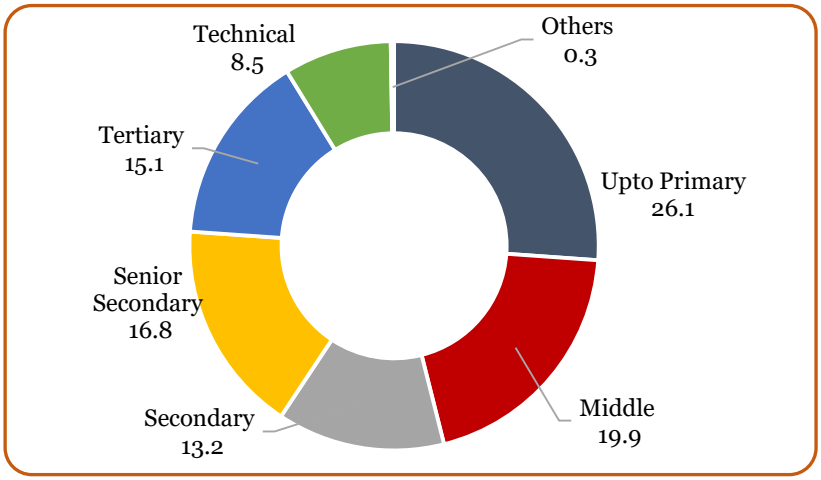
Figure V.13: Total Education Expenditure by Producing Units (% Distribution)



Source: NCAER computation

The distribution of total education expenditure by levels of education is presented in Figure V.24. The school levels of education receive a total of 82.3 per cent of total expenditure from all the financing units, put together. Higher education, that is, tertiary and technical, account for 16.6 per cent of the total expenditure.

Figure V. 14: Total Education Expenditure by Levels of Education (% Distribution)

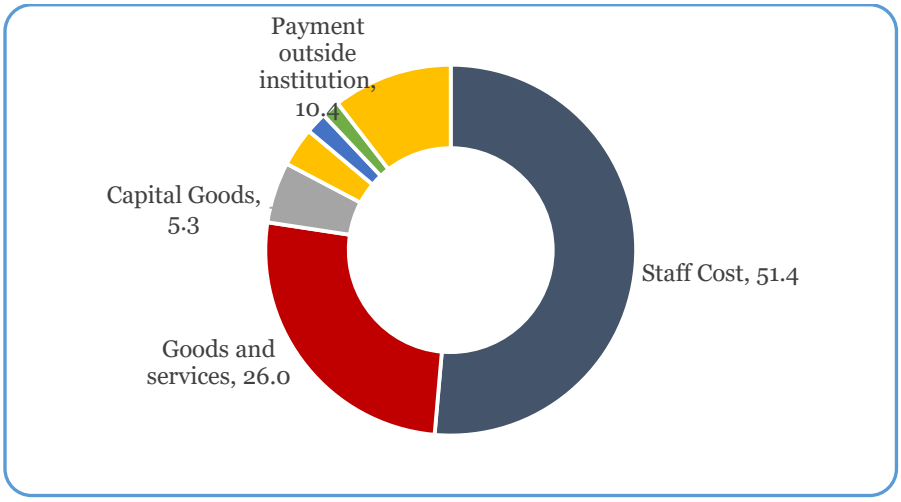


Source: NCAER computation

Further, the distribution expenditure by activities shows that staff remuneration (both teaching and non-teaching taken together) accounts for 51.4 per cent of total education expenditure. The payments made outside the educational institution, but related to education, accounts for another

10.4 per cent. This expenditure is incurred entirely by the households whose members are enrolled in an educational institution. A notable 26.0 per cent of the total expenditure is incurred on goods and services, which are recurrent expenditure on utility services, textbook and teaching material provided by institute, other office supplies, etc. The remaining share of 12.2 per cent of total expenditure is spent on capital goods, ancillary goods and services, general administration and scholarships.

Figure V.25: Total Education Expenditure by Activities (% Distribution)



Source: NCAER computation

VI. ESA Tables

Table VI. 1: Financing of Activities – Expenditure by General Government

(Rs crore

	Payment in the Education Institutions												Payments outside of Education Institutions				Total Financing Excluding all transfers
	Teaching Activities				General Administration								Goods and Services Required for School Attendance				
	Staff Cost		Goods and services														
	Teaching	Non-teaching	Teaching material	Other recurrent	Capital (equipment, etc.)	Ancillary services	Staff Cost	Goods and services	Capital	Scholarship and stipend	Revenue Total	Capital Outlay	Books, stationery and uniform	Transport not organized by school	Others (snacks, etc.)	Private Tuition	
Up to Primary	1,213	70	_	50	0	13	38	41	3	12	1,440	7	_	_	_	_	1,446
Public	1,213	70	_	50	0	13	38	41	3	12	1,439	7	_	_	_	_	1,446
Private	0	0	_	_	_	_	_	_	_	0	0	_	_	_	_	_	0
Middle	1,181	191	_	45	0	10	40	37	7	9	1,520	14	_	_	_	_	1,534
Public	1,181	191	_	45	0	10	40	37	7	9	1,520	14	_	_	_	_	1,534
Private	0	0	_	_	_	_	_	_	_	0	0	_	_	_	_	_	0
Secondary	583	117	_	80	0	12	19	2	1	5	820	23	_	_	_	_	844
Public	583	117	_	80	0	12	19	2	1	5	820	23	_	_	_	_	843
Private	0	0	_	_	_	_	_	_	_	_	0	_	_	_	_	_	0
Senior Secondary	983	169	_	65	1	6	31	1	2	6	1,264	59	_	_	_	_	1,323
Public	983	169	_	65	1	6	31	1	2	6	1,264	59	_	_	_	_	1,323
Private	0	0	_	_	_	_	_	_	_	_	0	_	_	_	_	_	0
Tertiary	446	198	_	77	2	3	_	_	2	148	876	140	_	_	_	_	1,016
Public	432	193	_	77	2	3	_	_	2	148	856	140	_	_	_	_	997
Private	14	5	_	_	_	_	_	_	_	_	20	_	_	_	_	_	20
Technical	89	43	_	6	3	1	2	0	0	1	144	83	_	_	_	_	227
Public	30	14	_	6	3	1	2	0	0	1	56	83	_	_	_	_	139
Private	59	29	_	_	_	_	_	_	_	_	88	_	_	_	_	_	88
Others	3	1	_	3	_	0	7	_	_	3	16	17	_	_	_	_	33
Public	3	1	_	3	_	0	7	_	_	3	16	17	_	_	_	_	33
Private	-	_	_	_	_	_	_	_	_	_	_	_	_	_	_	_	_
Total	4,497	789	_	326	6	46	137	81	15	184	6,081	343	_	_	_	_	6,423.60
Public	4,423	755	_	326	6	46	137	81	15	184	5,973	343	_	_	_	_	6,315.60
Private	74	34	_	_	_	_	_	_	_	0	108	_	_	_	_	_	108.0

Table VI. 2: Financing of Activities – Expenditure by Private Households

(Rs crore

	Payment in the Education Institutions												Payments outside of Education Institutions				Total Financing Excluding all transfers
	Teaching Activities					General Administration							Goods and Services Required for School Attendance				
	Staff Cost		Goods and services														
	Teaching	Non-teaching	Teaching material	Other recurrent	Capital (equipment, etc.)	Ancillary services	Staff Cost	Goods and services	Capital	Scholarship and stipend	Revenue Total	Capital Outlay	Books, stationery and uniform	Transport not organized by school	Others (snacks, etc.)	Private Tuition	
Up to Primary	-	-	-	615	-	-	-	-	-	-	615	-	185	28	20	9	858
Public	-	-	-	4	-	-	-	-	-	-	4	-	35	3	4	1	47
Private	-	-	-	611	-	-	-	-	-	-	611	-	150	26	17	8	811
Middle	-	-	-	402	-	-	-	-	-	-	402	-	139	18	23	8	589
Public	-	-	-	4	-	-	-	-	-	-	4	-	31	2	5	1	43
Private	-	-	-	399	-	-	-	-	-	-	399	-	108	15	18	6	545
Secondary	-	-	-	353	-	-	-	-	-	-	353	-	123	19	15	13	522
Public	-	-	-	22	-	-	-	-	-	-	22	-	48	4	4	1	78
Private	-	-	-	331	-	-	-	-	-	-	331	-	75	15	10	13	444
Senior Secondary	-	-	-	333	-	-	-	-	-	-	333	-	156	21	20	26	556
Public	-	-	-	68	-	-	-	-	-	-	68	-	102	15	11	2	197
Private	-	-	-	265	-	-	-	-	-	-	265	-	53	6	10	24	358
Tertiary	-	-	-	375	-	-	-	-	-	-	375	-	153	157	25	10	720
Public	-	-	-	185	-	-	-	-	-	-	185	-	129	128	18	9	471
Private	-	-	-	189	-	-	-	-	-	-	189	-	24	29	7	0	249
Technical	-	-	-	348	-	-	-	-	-	-	348	-	50	55	30	4	487
Public	-	-	-	117	-	-	-	-	-	-	117	-	22	26	8	-	173
Private	-	-	-	231	-	-	-	-	-	-	231	-	28	30	21	4	314
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Private	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	2,425	-	-	-	-	-	-	2,425	-	805	298	133	69	3,731
Public	-	-	-	400	-	-	-	-	-	-	400	-	367	177	51	14	1,010
Private	-	-	-	2,026	-	-	-	-	-	-	2,026	-	438	121	82	55	2,721

Table VI. 3: Financing of Activities – Expenditure by Other Private Financing Units

(Rs crore

	Payment in the Education Institutions											Capital Outlay	Payments outside of Education Institutions				Total Financing Excluding all transfers
	Teaching Activities						General Administration			Scholarship and stipend	Revenue Total		Goods and Services Required for School Attendance			Private Tuition	
	Staff Cost		Goods and services		Capital (equipment, etc.,)	Ancillary services	Staff Cost	Goods and services	Capital				Books, stationery and uniform	Transport not organized by school	Others (snacks, etc.)		
	Teaching	Non-teaching	Teaching material	Other recurren													
Up to Primary	374	104	17	175	57	157	-	-	-	5	888	73	-	-	-	-	962
Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Private	374	104	17	175	57	157	-	-	-	5	888	73	-	-	-	-	962
Middle	135	51	6	58	27	55	-	-	-	2	334	37	-	-	-	-	371
Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Private	135	51	6	58	27	55	-	-	-	2	334	37	-	-	-	-	371
Secondary	106	38	4	48	21	41	-	-	-	1	259	31	-	-	-	-	290
Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Private	106	38	4	48	21	41	-	-	-	1	259	31	-	-	-	-	290
Senior Secondary	91	25	3	44	14	32	-	-	-	0	210	10	-	-	-	-	220
Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Private	91	25	3	44	14	32	-	-	-	0	210	10	-	-	-	-	220
Tertiary	45	18	3	34	4	32	-	-	-	1	137	17	-	-	-	-	153
Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Private	45	18	3	34	4	32	-	-	-	1	137	17	-	-	-	-	153
Technical	101	49	4	104	13	61	-	-	-	6	338	12	-	-	-	-	350
Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Private	101	49	4	104	13	61	-	-	-	6	338	12	-	-	-	-	350
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Private	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	853	284	37	463	135	379	-	-	-	14	2,165	180	-	-	-	-	2,345.34
Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Private	853	284	37	463	135	379	-	-	-	14	2,165	180	-	-	-	-	2,345

Table VI. 4: Financing of Activities – Expenditure by All Financing Units

(Rs crore

	Payment in the Education Institutions											Capital Outlay	Payments outside of Education Institutions				Total Financing Excluding all transfers
	Teaching Activities						General Administration			Scholarship and stipend	Revenue Total		Goods and Services Required for School Attendance			Private Tuition	
	Staff Cost		Goods and services		Capital (equipment, etc.)	Ancillary services	Staff Cost	Goods and services	Capital				Books, stationery and uniform	Transport not organized by school	Others (snacks, etc.)		
	Teaching	Non-teaching	Teaching material	Other recurrent													
Up to Primary	1,586	174	17	841	57	170	38	41	3	17	2,943	80	185	28	20	9	3,266
Public	1,213	70	-	54	0	13	38	41	3	12	1,444	7	35	3	4	1	1,493
Private	374	104	17	787	57	157	-	-	-	5	1,500	73	150	26	17	8	1,773
Middle	1,316	242	6	505	27	66	40	37	7	10	2,256	50	139	18	23	8	2,493
Public	1,181	191	-	49	0	10	40	37	7	9	1,524	14	31	2	5	1	1,577
Private	136	51	6	457	27	55	-	-	-	2	732	37	108	15	18	6	916
Secondary	689	155	4	481	22	53	19	2	1	6	1,432	54	123	19	15	13	1,656
Public	583	117	-	102	0	12	19	2	1	5	842	23	48	4	4	1	922
Private	106	38	4	379	21	41	-	-	-	1	590	31	75	15	10	13	734
Senior Secondary	1,074	194	3	441	15	39	31	1	2	7	1,806	70	156	21	20	26	2,099
Public	983	169	-	133	1	6	31	1	2	6	1,332	59	102	15	11	2	1,521
Private	91	25	3	308	14	32	-	-	-	0	474	10	53	6	10	24	579
Tertiary	491	216	3	486	5	35	-	-	2	149	1,387	157	153	157	25	10	1,890
Public	432	193	-	262	2	3	-	-	2	148	1,042	140	129	128	18	9	1,468
Private	59	23	3	224	4	32	-	-	-	1	346	17	24	29	7	0	422
Technical	190	92	4	458	15	62	2	0	0	6	830	95	50	55	30	4	1,063
Public	30	14	-	123	3	1	2	0	0	1	174	83	22	26	8	-	312
Private	161	78	4	335	13	61	-	-	-	6	656	12	28	30	21	4	751
Others	3	1	-	3	-	0	7	-	-	3	16	17	-	-	-	-	33
Public	3	1	-	3	-	0	7	-	-	3	16	17	-	-	-	-	33
Private	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	5,350	1,074	37	3,214	141	424	137	81	15	198	10,671	523	805	298	133	69	12,500
Public	4,423	755	-	726	6	46	137	81	15	184	6,373	343	367	177	51	14	7,325
Private	926	318	37	2,489	135	379	-	-	-	14	4,299	180	438	121	82	55	5,175

Annexure Tables

Table A1: Percent distribution of persons "currently attending" by levels of education

Districts	Pre-Primary	Primary	Upper primary	Secondary	Higher Secondary	Diploma (upto secondary)	Diploma (higher secondary)	Diploma (graduation and	Graduate	Post graduate and above	Total
Bilaspur	9.4	26.1	20.7	17.1	8.2	0.5	3.0	1.3	13.2	0.4	100
Chamba	7.3	35.9	22.5	12.2	15.3	0.1	2.5	0.1	4.1	0.1	100
Hamirpur	9.5	24.1	11.7	10.6	18.1	0.5	2.4	3.2	13.3	6.7	100
Kangra	7.7	23.4	20.9	16.0	11.7	0.5	3.3	0.9	13.9	1.8	100
Kinnaur	0.0	24.8	31.5	20.5	11.6	0.0	4.0	0.0	6.9	0.0	100
Kullu	2.1	22.2	26.1	22.2	18.5	0.9	0.2	0.5	6.2	1.0	100
Lahul & Spiti	1.9	31.6	18.2	21.3	26.6	0.0	0.4	0.0	0.0	0.0	100
Mandi	6.5	25.3	22.9	13.3	17.8	0.3	1.6	1.2	9.2	1.8	100
Shimla	5.2	23.7	22.1	14.5	21.2	0.0	0.9	0.4	9.2	2.8	100
Sirmaur	3.4	39.9	16.1	16.1	11.5	0.4	1.5	0.0	8.6	0.7	100
Solan	11.1	38.4	21.5	10.5	11.7	0.4	0.9	0.4	4.3	0.8	100
Una	3.7	26.2	12.3	18.2	20.5	0.1	4.1	1.2	12.2	1.5	100
Himachal Pradesh	6.6	27.9	20.2	14.9	15.4	0.3	2.1	0.9	9.8	1.7	100

Source: "Household Social Consumption: Education", NSSO, 2017-18

Table A2: Currently attending persons in all levels of education by type of institution

Districts	Pre-Primary				Primary				Upper primary			
	Govt.	Private Aided	Private Unaided	Not Known	Govt.	Private Aided	Private Unaided	Not Known	Govt.	Private Aided	Private Unaided	Not Known
Bilaspur	42.3	21.3	36.4	0.0	59.4	0.0	40.6	0.0	54.0	0.0	46.0	0.0
Chamba	13.2	0.0	86.8	0.0	73.6	1.9	24.5	0.0	72.1	1.2	26.7	0.0
Hamirpur	0.0	0.0	100	0.0	33.9	0.0	66.1	0.0	50.5	0.7	48.8	0.0
Kangra	26.5	2.0	71.5	0.0	40.8	12.5	44.9	1.8	41.8	8.1	48.0	2.0
Kinnaur	0.0	0.0	0.0	0.0	98.5	0.0	1.5	0.0	10.5	0.0	89.5	0.0
Kullu	16.9	5.0	78.1	0.0	50.0	1.0	49.0	0.0	66.8	8.1	25.1	0.0
Lahaul & Spiti	0.0	100.0	0.0	0.0	82.0	18.0	0.0	0.0	100.0	0.0	0.0	0.0
Mandi	20.4	0.0	79.6	0.0	46.3	4.1	49.6	0.0	40.8	0.0	57.8	1.4
Shimla	41.0	45.6	13.4	0.0	70.6	7.1	22.3	0.0	42.4	8.2	49.5	0.0
Sirmaur	18.4	0.0	81.6	0.0	72.5	11.2	16.3	0.0	82.2	5.6	12.2	0.0
Solan	20.2	12.6	67.2	0.0	51.9	3.1	45.0	0.0	81.5	7.6	11.0	0.0
Una	35.0	0.0	65.0	0.0	51.2	2.5	46.4	0.0	16.4	0.0	83.6	0.0
Total	23.3	8.5	68.2	0.0	55.3	5.8	38.6	0.3	52.4	4.8	42.1	0.7

Source: "Household Social Consumption: Education", NSSO, 2017-18

Contd...

Districts	Secondary								Diploma (upto secondary)			
	Govt.	Private Aided	Private Unaided	Not Known	Govt.	Private Aided	Private Unaided	Not Known	Govt.	Private Aided	Private Unaided	Not Known
Bilaspur	25.5	1.6	72.9	0.0	69.0	0.0	31.0	0.0	2.3	0.0	97.7	0.0
Chamba	82.0	8.9	9.1	0.0	93.1	0.0	6.9	0.0	100.0	0.0	0.0	0.0
Hamirpur	53.0	7.3	39.8	0.0	69.2	0.0	30.8	0.0	88.6	0.0	11.4	0.0
Kangra	50.7	7.5	41.8	0.0	76.1	6.8	17.1	0.0	54.2	16.5	29.3	0.0
Kinnaur	14.4	0.0	85.6	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kullu	79.7	0.0	20.3	0.0	89.6	0.0	10.4	0.0	88.8	0.0	11.2	0.0
Lahul & Spiti	91.1	8.9	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mandi	70.8	0.0	29.2	0.0	71.7	0.0	28.3	0.0	74.9	0.0	25.1	0.0
Shimla	56.7	17.2	26.1	0.0	84.6	0.9	14.5	0.0	0.0	0.0	0.0	0.0
Sirmaur	64.9	7.6	27.5	0.0	94.4	4.9	0.8	0.0	59.2	4.9	35.9	0.0
Solan	57.3	11.0	31.7	0.0	59.9	0.0	40.1	0.0	84.5	0.0	15.5	0.0
Una	68.5	0.0	31.5	0.0	74.8	0.1	25.2	0.0	54.3	0.0	45.7	0.0
Total	60.5	6.2	33.3	0.0	78.5	1.6	19.9	0.0	66.3	5.7	27.9	0.0

Source: "Household Social Consumption: Education", NSSO, 2017-18

Contd...

Districts	Diploma (higher secondary)				Diploma (graduation and above)				Graduate			
	Govt.	Private Aided	Private Unaided	Not Known	Govt.	Private Aided	Private Unaided	Not Known	Govt.	Private Aided	Private Unaided	Not Known
Bilaspur	4.0	5.1	90.9	0.0	17.2	1.9	80.9	0.0	92.6	1.7	5.6	0.0
Chamba	22.1	14.1	63.8	0.0	0.0	0.0	100.0	0.0	95.2	0.0	4.8	0.0
Hamirpur	81.0	10.1	8.8	0.0	53.4	3.2	43.5	0.0	95.7	0.4	3.9	0.0
Kangra	37.5	20.4	42.2	0.0	47.5	32.7	19.7	0.0	83.4	5.2	11.4	0.0
Kinnaur	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100	0.0	0.0	0.0
Kullu	88.0	0.0	12.0	0.0	0.0	0.0	100	0.0	99.0	0.0	1.0	0.0
Lahul & Spiti	100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mandi	64.6	2.3	33.1	0.0	54.7	0.0	45.3	0.0	94.5	0.0	5.5	0.0
Shimla	97.7	2.3	0.0	0.0	34.4	12.0	40.6	13.1	83.1	0.0	16.9	0.0
Sirmaur	81.2	8.5	10.3	0.0	0.0	0.0	0.0	0.0	76.0	10.8	13.2	0.0
Solan	88.0	7.2	4.8	0.0	20.8	0.0	79.2	0.0	78.6	1.5	19.9	0.0
Una	31.1	0.0	68.9	0.0	24.0	3.4	72.6	0.0	95.6	0.3	4.1	0.0
Total	47.1	10.4	42.5	0.0	41.2	9.5	48.6	0.7	88.1	2.6	9.3	0.0

Source: "Household Social Consumption: Education", NSSO, 2017-18

Contd...

Districts	Post graduate and above				Total			
	Govt.	Private Aided	Private Unaided	Not Known	Govt.	Private Aided	Private Unaided	Not Known
Bilaspur	43.5	0.0	56.5	0.0	53.5	2.7	43.9	0.0
Chamba	0.0	0.0	100.0	0.0	72.3	2.4	25.3	0.0
Hamirpur	94.0	0.5	5.6	0.0	55.3	1.3	43.4	0.0
Kangra	51.4	7.2	41.4	0.0	51.8	8.7	38.7	0.8
Kinnaur	0.0	0.0	0.0	0.0	53.5	0.0	46.5	0.0
Kullu	92.9	0.0	7.1	0.0	71.2	2.5	26.3	0.0
Lahul & Spiti	0.0	0.0	0.0	0.0	90.5	9.5	0.0	0.0
Mandi	94.3	0.0	5.7	0.0	57.0	1.1	41.6	0.3
Shimla	98.2	1.1	0.7	0.0	65.8	8.6	25.5	0.1
Sirmaur	77.2	22.8	0.0	0.0	74.0	8.5	17.5	0.0
Solan	59.8	15.1	25.2	0.0	57.8	5.6	36.6	0.0
Una	95.3	2.8	1.9	0.0	59.2	0.8	40.0	0.0
Total	82.4	3.6	14.0	0.0	60.4	5.0	34.4	0.2

Source: "Household Social Consumption: Education", NSSO, 2017-18

Table A3: Educational Profile of Himachal Pradesh 2017-18

Particulars	Levels	2017-18
No of schools	Primary	10657
	Senior Basic	1996
	Higher Secondary	2749
	School Education	15402
	Higher education	118
No of Students	Primary	302813
	Senior Basic	214845
	Higher Secondary	337221
	School Education	845879
	Higher education	127865
No of Teachers	Primary	23909
	Senior Basic	6614
	Higher Secondary	36288
	School Education	66811
	Higher education	2039
Pupil Teacher Ratio	Primary	11
	Senior Basic	32
	Higher Secondary	5
	School Education	13
	Higher education	59

Source: Statistical Abstract, H.P.

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NATIONAL COUNCIL OF APPLIED ECONOMIC RESEARCH
NCAER India Centre, 11 Indraprastha Estate, New Delhi 110 002, India
Tel: +91-11-2345 2657, 6120 2698, Fax: +91-11-23370164
Email: info@ncaer.org www.ncaer.org