Fund Flow Pattern and Financial Efficiency of Resource Utilization under Sarva Shiksha Abhiyan in Gujarat

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Abstract

The present paper reviews the progress and financing of elementary education with a special focus on the program Sarva Shiksha Abhiyan (SSA) in Gujarat. It attempts to understand the process and timing of the fund flow pattern from the Centre and Government of Gujarat to the state implementing societies to the district level; and to know the financial efficiency or fund utilization under SSA over a period of time and across districts. The paper identifies the pattern and timing of fund flow as one of the bottlenecks in proper utilization of the funds. Yet, the improved financial efficiency reported under the SSA program has not yet resulted in better process and outcome indicators (internal efficiency indicators) such as dropout rates, transition rates, and learning outcomes. Both the process and outcome indicators seriously raise concerns on the cost-effectiveness of the program, despite its improved financial efficiency.

Keywords: **elementary education, financing, fund flow, financial efficiency, transition rates, learning outcomes, Sarva Shiksha Abhiyan**
JEL classification: H5, H52, H7, H75, I2, I22

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Gujarat is the fastest-growing economy, known as vibrant Gujarat, and is one of the most prosperous state economies within India. It is also one of the most industrialized states of India with a per-capita SDP of ₹ 63961 in 2009-10, which is above the national average of ₹ 46492. The investment climate and industry friendly policies of Gujarat have made her industrially vibrant. The industrialized nature of the State is the direct fallout of her hostile agricultural conditions. According to Dholakia (2010), the development strategy adopted by the state government during the nineties focused on industrialization and urbanization, with an open-door policy since its inception in 1960. Despite economic and industrial progress, Gujarat has made a medium level progress in education when compared across States in India. Though the literacy rate was 79.31% in 2011, which was higher than the national average, yet, it was lower than the literacy rates of Kerala or Tamil Nadu. Similarly, the gross enrolment ratio at the upper primary level in Gujarat is 86.51% as against 89.34% and 113.22% in Karnataka and Tamil Nadu respectively.

Furthermore, the State allocates a lesser share to education, that is 14.35% of the revenue expenditure is spent on education. Few earlier studies on financing elementary education and SSA (Sarva Shiksha Abhiyan) [Bashir (2000), Mehrotra, Panchmukhi, Srivastava, and Srivastava (2005), Mehrotra (2005), Sipahimalani-Rao (2000), Tilak (2002)] have not examined the important aspect of fund flow pattern and utilization of funds available for elementary education. Few studies such as Rani (2007), Jha, Das, Mohanty, and Jha, (2008), and Jha and Parvati (2009) examined a few select issues of fund flow and utilization under SSA either at the national, inter-state, or across few states in India. In a recent study, Kumar and Lathika (2012) studied allocation and expenditure pattern of SSA funds in Kerala.

Research Questions and Objectives of the Study

In this context, it is worthwhile to review the progress and financing of elementary education with a focus on the program - the Sarva Shiksha Abhiyan (SSA) in Gujarat using the following research questions :

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➩ What is the process of fund flow pattern from States (State implementing societies) to districts and the sub-district level?

➩ What is the financial efficiency of funds allocated under SSA at the State level and across districts in Gujarat?

➩ What is the relationship between utilization rates and educational inputs, processes, and outcome indicators?

Accordingly, the paper examines the following objectives :

(i) To understand the process of fund flow pattern from the Centre and Government of Gujarat (GoG) to the State implementing societies,

(ii) To assess the financial efficiency of fund utilization under SSA and,

(iii) To examine the relationship between utilization rates with educational process and outcome indicators.

Methodology

Research methodology adopted here is analyzing the secondary data from various sources like MHRD, State Project Office, SSA Gujarat, and personal discussions.

➩ To understand the process of fund flow pattern from the States (state implementing societies) to districts and the sub-district level, flow charts have been used. A descriptive approach was adopted using secondary and primary data sources.

➩ To assess the financial efficiency of funds allocated under SSA, two parameters were examined, **(i)** per cent of expenditure in total funds released, known as utilization rates, and **(ii)** identifying delay in the time involved in terms of fund flow from GoI and GoG to state implementing societies.

➩ In addition to assessing the financial efficiency, an attempt was made to look at the relationship between various educational processes (dropout rates) and outcome indicators (transition rates and learning outcomes) with utilization rates. The class wise dropout rate was estimated by crude grade-cohort method. Ideally, the transition rate was estimated using age-cohorts by factoring in child population of the relevant age group, age at entry, promotion rate, and repetition rate. Then 100 minus transition rate is the dropout rate. As there is no information available on many of these indicators, an attempt was made here to estimate crude class wise transition rate. It is estimated by assuming that in the year 2001-02, the beginning of SSA, all children in the eligible age group are 100. If this is the case, how many of these children transit from Class I in 2001-02 to Class II in 2002-03, from Class II in 2002-03 to Class III in 2003-04, and so on over a period of time.

➩ **Data Sources:** The data primarily stems from secondary sources and are two types. It includes documents published by Ministry of Human Resource Development (MHRD), that is, Selected Educational Statistics and Analysis of Budgeted Expenditure on Education. Data were also taken from the Audit Reports of SSA, Gujarat (Government of Gujarat), available from SSA website hosted by MHRD (www.sss.nic.in). At the State level, annual reports of SSA provided information on various aspects of the program including audited statement of expenditures on various components and different stakeholders involved. However, information at the district level and timing of the fund flow were obtained from the State Project Office, Gandhi Nagar, Gujarat.

Setting the Context : Progress of Elementary Education in Gujarat

Gujarat followed an elementary cycle of 4+3 years. The State government has recently synchronized elementary cycle as per the National Policy on Education (1992) with 5 years of primary (I-V) and 3 years of upper primary (VI-VIII) education. It has de-linked Standard 8 from secondary schools and has made it a part of primary school education as per the provisions of the Right to Free and Compulsory Education (RTE) Act, 2009. The number of primary and upper primary schools have increased faster in the SSA period of 2001-10 than during the previous decades. Yet, feeder schools have not improved as compared to the previous two decades (see Table 1). Similarly, a number of teachers available at the primary and upper primary level has also improved over time, though the situation

Table 1. Growth of Schools, Feeder Schools, Pupil Teacher Ratio, and Gross Enrolment Ratio at Primary and Upper Primary Level in Gujarat

	Schools		Ratio of Primary to Upper Primary Schools	Pupil Teacher Ratio		GER in Up. Pry(in %)
	Primary	Up. Pry		Primary	Up. Pry	
1980-81	13400	11000	1.2	41	38	48.7
1985-86	15400	11800	1.3	41	39	59.7
1990-91	17084	13103	1.3	33	41	70.7
1995-96	19169	14228	1.3	45	42	71.6
2000-01	21143	15602	1.4	51	42	66.5
2005-06	22621	16415	1.4	35	39	74.2
2009-10	24366	17779	1.4	30	36	86.5

Source: Selected Educational Statistics, Ministry of Human Resource Development, various issues

is better at the primary than at the upper primary level. Yet, the gross enrolment ratio (GER) in upper primary was a mere 48% during 1980-81. This improved to 86.5% during 2009-10. The major factor attributed to the same could be the implementation of the SSA Program. In terms of educational financial indicators, expenditure on education as a percent of SDP fluctuated during the last three decades and has actually declined over time. A similar declining trend was observed in terms of expenditure on education as percent of revenue expenditure in the State. It declined from 22.2% in 1980-81 to 14.2% in 2009-10. However, expenditure on elementary education as a proportion of total expenditure on education improved from 43 % in 1980-81 to 54% in 2009-10. Per student expenditure on elementary education in 1980-81 was ₹ 179 and this figure increased to ₹ 3212 in 2009-10 (see Table 2).

Table 2. Selected Educational Financial Indicators on Education in Gujarat

	Expr. on Education % of SDP	Expr. on Education % of Rev. Expr	% of Elem Expr in Total Expr on Education	Per Student Elem. Expr*
1980-81	3.1	22.2	42.8	179
1985-86	4.1	25.3	52.9	454
Avg 1980s	**3.0**	**23.8**	**45.3**	**371**
1990-91	4.4	25.8	46.3	664
1995-96	3.6	23.8	43.4	1226
Avg 1980s	**3.1**	**22.7**	**45.9**	**1279**
2000-01	3.8	18.7	54.3	2304
2005-06	2.2	18.7	54.4	2632
2009-10(b)	1.5	14.4	54.1	3212
Avg 2000s	**3.1**	**22.2**	**52.9**	**2716**

* includes the state share of SSA expenditures

Source: Based on Analysis of Budgeted Expenditure on Education, MHRD, various issues.

It can be noticed that there has been a remarkable shift - increase in intrasectoral allocation towards elementary education and, therefore, a higher per student expenditure in elementary education during the period from 2001-02 to 2009-10. This is primarily on account of the implementation of the SSA program.

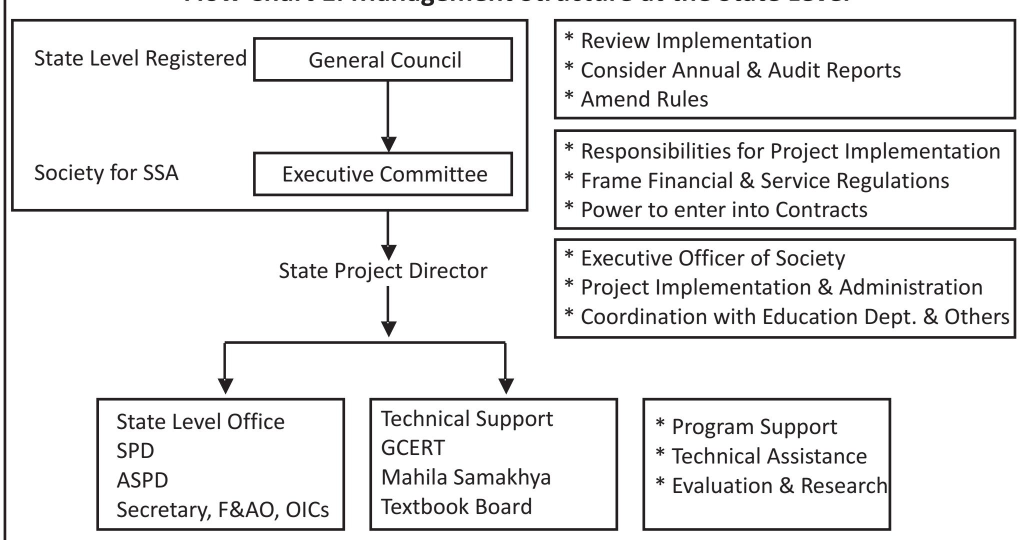
➯ **Sarva Shiksha Abhiyan (SSA) in Gujarat :** Sarva Shiksha Abhiyan (SSA) started in 2001-02 with an objective of universalization of elementary education in order to provide useful and relevant elementary education to all eligible children in the age group of 6 to 14 years by 2010. The Gujarat Council of Primary Education (GCPE) is the State level implementing agency for SSA mission (SSAM) in 26 districts and 7 municipal corporations. The funding pattern of the scheme was the same as in other states - 75:25 between Central and State governments during the 10th plan. Funding pattern during the 11th plan between Central and State governments was in the ratio of 65:35 for the first two years, 60:40 for the third year, 55:45 for the fourth year, and 50:50 thereafter. However, with the enactment of the RTE Act, 2009, SSA is being used as a vehicle to implement the RTE Act.

Management and Organizational Structure of SSA

Management and supervision of SSA programme is done through GCPE with Chief Minister as its President, Minister in Charge of Education as Vice President, State Project Director as Member Secretary, and about 35 members consisting of State government officials, representatives of Government of India, and so forth. The Project Approval Board provides the overall policy guidelines and directions for implementation of project activities and considers audited accounts and annual report of the executive committee. Day-to-day affairs of the SSA Programme are administered through an executive committee consisting of Chairman (Secretary, Education Department), State Project Director (Member Secretary), and members representing Government of Gujarat, Government of India, and others. Implementation of these programmes by the Executive Committee is done in accordance with the policies and guidelines laid down by the Governing Council (see Flow Chart 1).

The Executive Committee conducts periodical reviews of the progress of implementation of the programme and takes remedial measures for effective implementation, including coordination of activities with other organizations involved in planning and implementation. Though meetings of the governing body are required to be held at least twice a year, as per Audit Report, 2009, only one meeting of the body was conducted in 2006-07 and none in 2007-08 and 2008-09. Similarly, the Executive Committee was required to meet at least once in each quarter of a year, however, the Committee met on three occasions during 2006-07 and 2007-08, and met once in 2008-09 (up to September 2008) (Audit Report, Gujarat, 2009).

Flow Chart 1. Management Structure at the State Level



Source: Annual Reports of SSA, Government of Gujarat

Financing Elementary Education and SSA: Financing elementary education is a State government responsibility. Any expenditure, either revenue or capital expenditure, needs to be viewed in plan and non-plan accounts. Any state government's allocation to SSA is a part of the plan account of State budgets. However, State budgets do not depict central allocation to SSA via SIS as it is not routed through State treasury. Plan expenditures in elementary education is for purposes of construction of new school buildings, providing infrastructure, and so forth. Non-plan expenditure is committed expenditure - salary expenditures of teachers and other staff, which are the liability of State governments. In Gujarat state budget, the share of plan expenditures in total expenditure on elementary education ranged from as low as 2.2% during 2001-02 to 11% during 2003-04. The share of plan expenditures reflects a pattern of lesser share - less than 10% during the SSA decade in Gujarat (see columns 2 to 4 of Table 3).

Table 3. Budget Expenditure on Elementary Education and SSA by the Center and State in Gujarat

	State Govt. Budget Expr on Elementary Education			SSA Central Release	Total SSA Central & State	Central share to Total SSA	% of Central Contribution to
	Plan	Non-Plan	Total	(in lakhs)	Release	Release	State's Plan
	As % to Total Expenditure	As % to Total Expenditures	(in lakhs)		(in lakhs)	(in %)	Expenditures
	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2001-02	2.2	97.8	155960	1766	2078	85	52.6
2002-03	7.0	93.0	181925	9873	12123	81	77.8
2003-04	11.0	89.0	187032	11525	13683	84	56.3
2004-05	7.8	92.2	212188	11245	17366	65	67.7
2005-06	7.8	92.2	220506	12831	20391	63	74.4
2006-07	7.7	92.3	258680	14505	22504	64	72.7
2007-08	5.1	94.9	287395	21607	34525	63	146.5
2008-09(R)	7.0	93.0	294526	25432	40732	62	122.9
2009-10 (B)	7.9	92.1	304309	20032	35133	57	83.6
2010-11				24116	37916	64	--
Growth rates			**10**	**26**	**33**		

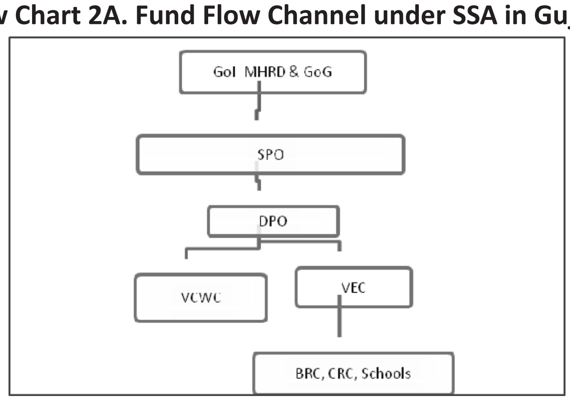
Source: Analysis of Budgeted Expenditure on Education, SPO, Gandhi Nagar, www.mhrd.nic.in; Audit Reports of SSA, Government of Gujarat

With Central and State governments' contribution under SSA to SIS, total SSA expenditure increased quite rapidly at an annual growth rate of 33% during the period from 2001-02 to 2009-10 (see columns 6 of Table 3). These total expenditures include the share of State contribution of a pre determined matching shares by the Centre and the State. It may be noted that the matching share reported in column 8 varied across the 9th and 10th five year plans and varied each year during the 11th five year plan. It can be observed that matching shares by the Centre has been lesser than prescribed matching share in all years except 2001-02. The pattern of the Centre's contribution to the State's planned expenditure increased till 2008-09 and started falling after that, as reported in the column 9 of Table 3. The reason could be attributed to decreasing matching shares of the Centre during the second phase of SSA. Salient trends that emerge from the Table 3 are as follows :

(i) Public expenditure on elementary education in Gujarat is primarily funded by State budget expenditures.

(ii) Though the contribution of the Central government in planned expenditures have improved during the first phase of SSA, it started to decline during the second phase. This indicates that planned expenditures too need to be taken care of by the State in the future.

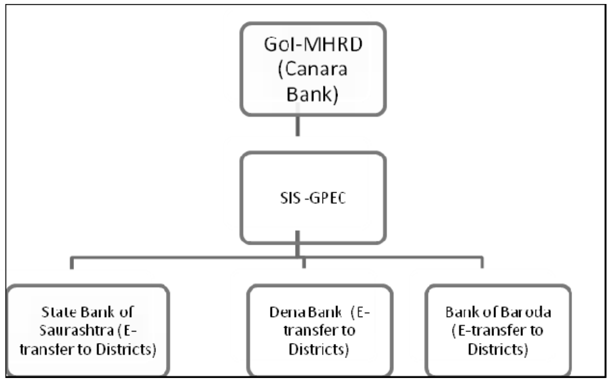
Flow Chart 2A. Fund Flow Channel under SSA in Gujarat



Source: Based on information from State Project Office, Gujarat

↳ **Process of Fund Flow under SSA:** SSA is a centrally sponsored scheme, which gets funds via Gujarat Council of Primary Education. Both the Centre and the State contribute adhering to matching shares (see Flow Chart 2A). This is almost similar to the pattern followed across States in India. However, at the district level, the Village Civil Works Committee (VCWC) is a new initiative in Gujarat. However, in practice, funds are transferred electronically in collaboration with nationalized banks. MHRD transfers its release through Canara Bank, the nodal bank of MHRD. Once funds are received by SIS from both GOI and GOG, funds are released through State Bank of Saurashtra, Dena Bank, and Bank of Baroda via e-transfer to all 27 districts (Flow Chart 2B).

Flow Chart 2B. Actual Fund Flow Channel under SSA in Gujarat



Source: Based on information from State Project Office, Gujarat.

Financial Efficiency or Absorptive Capacity under SSA

As noted earlier, financial allocation under SSA goes to plan account, which is less than 10% of the total expenditure on elementary education in Gujarat. Annual work plan and budget (AWP&B) of SSA consists of budgeting major interventions on establishment and maintenance of physical infrastructure of elementary schools such as civil work, maintenance grants, school grants, teachers and teacher development and training, access and equity related

Table 4. Annual Work Plan and Budget (AWP&B), Fund Released, and Expenditure under SSA in Gujarat

(₹ Lakhs)

Year	AWP&B	Share Received		Total funds released	Expenditure	Expenditure as % of total funds released
		GOI (in %)	GOG (in %)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2001-02	3798	85	15	2078	1385	66.7
2002-03	12958	81	19	12123	5472	45.1
2003-04	22774	84	16	13683	14311	104.6
2004-05	24505	65	35	17366	15363	88.5
2005-06	26567	63	37	20391	20516	100.6
2006-07	38020	64	36	22504	27259	121.1
2007-08	35715	63	37	34525	26933	78.0
2008-09	50005	62	38	40732	34077	83.7
2009-10	55496	57	43	35133	40058	114.0
2010-11*	101507	64	36	37916	43196	113.9
Total	**371345**	**65**	**35**	**236451**	**228570**	**96.7**

Note: * up to September 2010

source: www.ssagujarat.org

intervention, quality enhancement initiatives, and establishing and maintaining capacity development interventions at the state, district, block, and cluster levels. Approved AWP&B in SSA increased significantly from ₹ 3798 crore in 2001-02 to ₹101507 crore in 2010-11 (Table 4). But funds released by both the Centre and States are a much lower amount of approved outlay. Matching shares of SSA plan allocation between the GoI and Government of Gujarat as stipulated in the SSA is not adhered to in many years of both 10th and 11th five-year plans. Actual expenditures incurred are lesser than the total funds available, indicating the scope to improve expenditure levels. These unspent balance or spill over from previous years is included in the total released amount, which makes total funds available in the current year. At the outset, it appears that funds released, funds available, and absorptive capacity have increased over a period of time, though not consistently. However, a review of the scenario in toto considering opening balance, total funds available, consisting of funds released by GoI and other funds available indicate that except in the year 2006-07, utilization rate ranged between 60 to 70% from 2004-05 to 2009-10 as in column 6 (Table 5).

Table 5. Financial Efficiency or Extent of Funds Utilized under SSA in Gujarat During 2004-05 to 2009-10

Year	% of Opening Balance in Funds Available	% of Grants from GoI & GoG in Funds Available	% of Other Sources in Funds Available	Funds available (₹ in Lakhs)	% of Expenditure in Funds Available	% of Closing Balance in Funds Available
	(2)	(3)	(4)	(5)	(6)	(7)
2004-05	29.8	66.7	3.5	26044	71.5	28.5
2005-06	38.9	59.8	1.3	34081	69.9	30.1
2006-07	30.8	68.3	0.9	32964	82.7	17.3
2007-08	14.1	85.2	0.7	40525	66.5	33.5
2008-09	44.4	54.3	1.3	30600	61.2	38.8
2009-10	37.4	61.4	1.2	55870	69.3	30.7

Source: Government of Gujarat, Audit Reports of SSA; Government of Gujarat, Annual Reports of SSA, various years

Total funds available in a financial year include opening balance, funds released by both GoI and GoG, and any other fund available. In these basic constituents, opening balance ranged between 30 to 44% during 2004-05 to 2009-10, except in the year 2007-08. This lower share of opening balance in 2007-08 is a consequence of better utilization and hence, a lesser percent of closing balance in 2006-07. The concern here is that in the rest of the years, utilization rates were between 60 to 70%, resulting in higher share of closing balance, siphoning away of the funds that would have otherwise been available to the program. In other words, the total amount approved by the GoI gets reduced to the extent that it totals the amount of opening balance available in a financial year (Table 5).

➷ **Financial Efficiency of SSA Funds - District Level :** The district level average utilization rates (excluding municipal corporations) from 2002-03 to 2008-09 ranged between 71 to 51% (see Table 6). It is interesting to note that economically and educationally backward districts such as Panchmahal, Dahod, Dang, Kheda, and Sabarkantha spent above 68% of the sanctioned resources. Least utilization rates below 55% were found in Jamnagar, Bhavnagar, Porbandar, and Navsari districts. However, these utilization rates at the district level further need to be deconstructed and examined at the sub district levels to explore the probable causes of lesser utilization of sanctioned funds under SSA. Timing of release of funds and number of installments involved in releasing the funds act as a major hurdle in better utilization rates. This delay in the actual realization of funds in local units along with a pre - determined set of activities and parameters constrain better utilization of resources till the school level.

➷ **Pattern and Timing of Fund Flow under SSA in Gujarat:** Another equally important aspect of financial efficiency is how this money flows from one level to another as depicted in the Flow Charts 2A and 2B, and its timing in a budget year from April to March. As per the budget calendar, appraisal of plans at the national level is to be done by 1st April by Appraisal Mission, and plans are to be approved by 15th April. Manual of 'Financial Management and Procurement' stipulates that release of funds to SIS is in two installments in April and September every year (MHRD, Various Years). Similarly, the Government of Gujarat is to transfer matching shares on approved outlays in two installments to SIS. This section attempts to look at the timing and release of funds from the Govt. of India to the Government of Gujarat (GoG) during 2002-03 to 2009-10. Subsequently, the timing and release of required matching

Table 6. Utilization Rates Under SSA Across Districts in Gujarat During 2002-03 to 2008-09

District	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	Average*
Panchmahal	31.4	91.8	65.9	82.8	78.8	86.5	45.0	71.0
Dahod	28.7	66.0	80.0	90.5	75.9	79.6	39.1	69.0
Dang	28.1	85.5	62.9	83.0	97.5	95.6	34.2	68.5
Kheda	48.3	75.0	65.5	82.6	81.9	84.3	43.3	68.3
Sabarkantha	54.9	54.3	69.4	89.0	82.6	86.0	42.2	68.3
Gandhinagar	42.7	73.9	55.0	81.0	78.1	88.5	44.8	67.6
Bharuch	43.5	76.1	79.5	84.8	71.6	80.7	40.8	67.4
Sural	40.5	74.9	72.9	80.1	69.7	89.4	41.7	66.9
Vadodara	61.1	54.4	64.9	78.5	77.4	88.8	47.4	66.7
Valsad	39.1	73.2	67.4	86.5	83.5	83.5	32.7	66.0
Anand	45.3	73.8	63.4	75.6	76.1	81.6	42.2	65.8
Mehsana	45.3	58.8	59.6	79.4	81.0	84.9	43.8	64.1
Ahmedabad	39.9	78.0	65.8	94.2	70.2	76.4	32.1	63.1
Narmada	52.3	56.8	71.7	86.7	74.8	85.2	23.6	62.3
Amreli	49.5	71.2	61.6	79.1	73.1	72.5	32.5	62.0
Surendranagar	47.3	70.8	57.0	81.2	71.6	77.8	27.8	62.0
Raikot	47.9	53.9	70.2	85.3	64.1	72.1	39.8	61.0
Kutch	13.2	87.5	59.5	73.9	79.6	68.8	28.2	59.0
Banaskantha	25.2	54.6	59.7	80.7	74.3	77.8	21.0	58.0
Patan	37.5	58.8	61.7	76.9	67.8	72.7	29.8	57.7
Junagadh	55.3	73.0	59.5	74.6	50.0	66.8	35.7	55.2
Navsari	44.6	48.9	54.5	66.8	76.4	75.1	30.3	54.7
Porbandar	27.6	46.0	44.0	57.5	79.9	83.0	32.4	52.9
Bhavnaaar	42.1	64.6	68.8	79.7	73.0	61.3	23.3	52.5
Jamnagar	53.0	37.2	52.3	61.4	66.1	60.9	34.4	50.7
Ahmedabad MC	43.4	13.2	49.3	50.4	63.5	34.9	25.3	37.8
Rajkot MC	31.3	18.1	63.9	51.5	35.2	36.9	20.0	36.1
Vadodara MC	51.9	54.2	53.3	49.5	60.5	42.2	20.8	44.2
Surat MC	28.8	29.9	18.9	40.0	50.9	31.0	2.1	24.6
State Component	---	146.3	87.7	76.1		77.8	19.8	65.4
Total	**41.9**	**62.6**	**63.9**	**78.6**	**71.6**	**75.4**	**33.7**	**61.2**

* average of all years utilization rates; MC - Municipal Corporation.

Source: Based on State Project Office, Gandhi Nagar

shares from GoG to SIS were examined. The timing of fund flow from GoI did not implement the stipulated calendar and Financial Manual of SSA till 2004-05, which was the initial phase of SSA. More than 40% of the required shares were released to SIS by the last quarter of the financial year. In 2005-06, the situation improved drastically, but for a decline in the share of released funds by the first quarter to 27% in 2007-08. This improved during 2008-09 and 2009-10. Though it had improved, yet, a major portion of the shares was released only during the third quarter of the financial year (see Table 7). A number of installment of funds released ranged between two to five with an improvement in the later period. Another major concern is that the distribution of the released funds was not spread over equally across the first three quarters of the financial year. Furthermore , a number of installments through which money is transferred is very few in Gujarat as compared to many other states. Yet another concern is that the increase in GoI's allocation over time declined during 2009-10 due to declining matching share between the Centre and the States.

Table 7. Fund Flow from Govt. of India to SIS in Gujarat by Quarters

	April-June Quarter I	July-Sep Quarter II	Oct-Dec Quarter III	Jan-March Quarter IV	Total (₹ in Lakhs)	No of Installments
2002-03	0.0	30.7	0.0	69.3	9874	5
2003-04	7.0	49.6	0.0	43.4	11526	3
2004-05	0.0	55.5	0.0	44.5	11245	2
2005-06	61.4	0.0	37.1	1.6	12831	3
2006-07	48.3	0.0	51.7	0.0	14505	2
2007-08	27.8	13.6	58.7	0.0	21607	4
2008-09	38.1	0.0	61.9	0.0	24185	2
2009-10	39.5	0.0	50.4	10.1	19823	3

Source: Calculated by the Author Based on data from State Project Office, Gandhi Nagar

Table 8. Timing of Fund Flow from GoG to SIS During 2006-07 to 2009-10

	April-June Quarter I	July-Sep Quarter II	Oct-Dec Quarter III	Jan-March Quarter IV	Total (₹ in Lakhs)	No of Instalments
2006-07	25.4	24.9	24.9	24.9	8139	6
2007-08	18.2	18.9	19.3	43.6	13214	6
2008-09	47.5	52.5	0.0	0.0	14790	4
2009-10	30.8	13.1	20.0	36.2	14490	16

Source: Calculated by the Author Based on data from State Project Office, Gandhi Nagar

A similar attempt is made here to look at the pattern and timing of fund flow from GoG to SIS. It demonstrates a better fund flow pattern and timing as compared to the situation with regard to GoI to SIS. With exception of 2008-09, in all the three years during 2006-07 to 2009-10, more than one fourth of the required matching share was released during the last quarter of the financial year. The number of installments through which the money was released were many, ranging from four to sixteen (see Table 8). In terms of distribution, the required matching shares across quarters were almost evenly distributed during 2006-07. Such equal spread across quarters is not found in other years between 2007-08 and 2009-10. The problem is not only a number of fragmented installments and releasing a huge share during the fourth quarter of the financial year, but also delay in getting even released money in time by SIS. Audit Report of Institute of Public Auditors in India (IPAI) (2010) revealed that delay in release of funds is a common and a recurrent phenomenon.

As noted earlier, GoI releases funds in two instalments in April and September for SSA activities. Further instalments would be released after the States have transferred their share and expenditure of at least 50% of funds (GoI and GoG) transferred has been incurred. States are required to release their funds in agreed ratio within 30 days of receipt of GoI contribution. It can be clearly noted that a major bottleneck relating to fund flow and financial management is delay in funds reaching SIS, and most of the money coming in the last two quarters and in too many fragmented installments. Yet another issue is misappropriation of SSA funds. During 2007-08, a sum of ₹ 15.98 lakhs was misused from SSA funds by producing fake vouchers for printing and procurement of forms and so forth by the District Accounts Officer and District Project Coordinator under SSA, Surendranagar (Institute of Public Auditors in India, 2009).

Relationship Between Utilization Rates, Educational Processes, and Outcome Indicators

There is a growing discontent of increased government spending on SSA not being reflected in improved learning. Quality of government schooling is pathetically low. Indeed, a major concern under SSA is that the increased inflow of expenditures has not yet resulted in the desired outcomes from SSA. After implementing SSA for a decade, the gross enrolment ratio (GER) at the upper primary level in 2009-10 was 86.5%, with a cumulative dropout rate of 30%

at the elementary level. For instance, the third goal of SSA is the universal retention of children, which is the most important as compared to either the first goal of universal elementary enrolment or the second goal of bridging social and gender gaps. However, dropout rates at the primary level were above 20%, and cumulative dropout rates at the upper primary level were above 40% during the last ten years after implementing SSA for a decade (Table 9).

Table 9. Utilization of Funds under SSA, Dropout Rates, and Learning Achievement in Gujarat (in %)

	Expenditure as % of Total Funds Released	Gross Drop Out Rates-Primary	Gross Drop Out Rates-Upper Primary	Learning Achievement Reading Level (Std Text 2)		Learning Achievement Numeracy (subtract)	
				Class V	Class VIII	Class V	Class VIII
2001-02	66.65	24.67	52.97	--	--	--	--
2002-03	45.14	24.58	45.93	--	--	--	--
2003-04	104.59	25.80	47.29	--	--	--	--
2004-05	88.47	35.09	46.34	51.7	82.4	29.0	17.0
2005-06	100.61	31.58	46.41	48.0	83.6	38.4	24.3
2006-07	121.13	25.66	49.29	48.2	87.4	39.4	20.2
2007-08	78.01	26.95	48.22	45.3	82.6	38.3	24.9
2008-09	83.66	26.31	43.96	44.4	77.2	32.9	24.9
2009-10	114.02	25.66	39.7	45.5	78.9	41.8	30.1
2010-11	113.92	7.56*	2.07*	49.2	79.2	36.0	29.3
Correlation coefficient--		**0.169**	**0.169**	**-0.144**	**0.235**	**0.265**	**0.535**

Note: *Indicates dropout rates from District Information System on Education (DISE), NUEPA

Source: www.ssagujarat.org and Selected Educational Statistics; ASER reports, various issues.

Though the dropout rates at both the primary and upper primary levels over the period has declined, utilization rates do not depict a consistent improved pattern. Correlation coefficient is 0.17 with utilization rates in both cases. Though dropout rates are process indicators, they raise serious concerns over the cost-effectiveness of the program. Outcome indicators such as completion rates, extent of students moving on to the next grades or levels of school education, and learning abilities acquired at the primary and upper primary levels of education would further indicate cost-effectiveness of the program. Learning outcomes for Gujarat over a period of time from 2005 to 2011 depict a highly dismal picture (ASER). It can be noted that in Class V, the students have been assessed at the Class 2 level. Even in such assessments, the percentage of students who can read over the years has been declining consistently, indicating poor quality of language teaching and learning. The situation is far more worse in numeracy skills, with less than 40% of the Class V students and less than 30% of the Class VIII students who can subtract.

It can be noted that dropout rates as reported by DISE (see Table 9) is very low because it represents year to year dropout rate unlike the cumulative dropout rates as reported by selected educational statistics. Hence, a class wise grade-cohort dropout rate is estimated (see Table 10). The class wise grade cohort dropout rates since the beginning of SSA indicate that out of 100 children enrolled in Class I in 2001-02, 18% of them did not move to Class II in 2002-03, 31.6% of them dropped out from Class VI to V in 2005-06. At the end of the elementary cycle in Class VIII, 40% of the hundred enrolled in 2001-02 had dropped out from the schools.

Conclusion

Apparently, it appears that SSA has not yet impacted learning. Both process and outcome indicators seriously raise concerns on the cost-effectiveness of SSA, despite its seemingly improved utilization rates. It is important to look at how much money is spent, but more important is how that money is spent? Invested money has not resulted in retention of children, the third goal of SSA and on learning front, the children have not acquired much knowledge. As part of quality initiatives, GOG and SSA have undertaken a series of studies on learning achievement of children to construct the Gujarat Achievement Profile. Yet, one finds that these kinds of initiatives taken in secondary and higher education levels have far-reaching implications than in elementary education. The efforts of the Gujarat Knowledge

Table 10. Class wise Grade-cohort Dropout Rates in Gujarat

	Class I	I to II	II to III	III to IV	IV to V	V to VI	VI to VII	VII to VIII
2001-02	100							
2002-03	100	18						
2003-04	100	4	16.9					
2004-05	100	12	9.7	23.6				
2005-06	100	12	17.4	16.9	31.6			
2006-07	100	12	17.4	24.0	25.7	40.7		
2007-08	100	10	17.1	25.1	26.9	34.4	50.0	
2008-09	100	11	17.1	25.1	26.4	39.9	44.7	38.9
2009-10	100	18	16.3	16.9	25.7	32.9	49.6	44.9

source: estimated by author based on Selected Educational Statistics, MHRD, various issues

Society providing training to secondary and higher secondary passed out students with industry collaboration is noteworthy as it builds the link between education and employment. Similarity, initiatives under the Knowledge Consortium of Gujarat with activity based teaching learning in colleges and universities is welcome. Equally important is to revamp the teaching - learning processes in school education. It is because all levels of education are integrated.

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