FINANCIAL MANAGEMENT OF OPERATION BLACKBOARD SCHEME

STUDY OF SEVEN STATES

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Preface

The Centre for Multi-Disciplinary Development Research has been undertaking a number of studies on different aspects of the social sector. The present study is one of them in the field of Economics of Education. We are happy to present this study to the scholars and policy makers for comments and suggestions and also for necessary action.

The study makes a modest attempt in understanding the financial management of Operation Blackboard Scheme in these selected seven states of Goa, Karnataka, Madhya Pradesh, Punjab, Rajasthan, Tamil Nadu & West Bengal.

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We hope and trust that the study would arouse further interest among researchers in the area of Economics of Education.

Dharwad. **P.R. Panchamukhi,**

Director, CMDR

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Executive Summary

Introduction:

As a fall out of the Human Capital Revolution, investment in education has assumed prime significance. Returns to primary education especially in developing countries have further strengthened the case for enhanced expenditure on this crucial segment of education sector. Indian constitution has clearly indicated through the Directive Principles of state policy that the state shall provide free and compulsory education for all children until they complete the age of fourteen years. In pursuit of fulfilling this objective India has been trying hard to enhance the allocation of resources for education to the extent of 6 percent of GNP. The combined expenditure of center and states as percentage of GNP has steadily increased from 0.8% in 1951-52 to 3.3% in 1994-95.

Policy statements on education of 1968 and 1986 emphasized the need for quality improvement, a planned and more equitable expansion of educational facilities, education of girls, universal enrollment and universal retention.

In order to operationalise these objectives the plan of action related to National policy on Education called for substantial improvements of primary schools and provision of support services. Thus, such developments changed the priorities of education sector during the seventh plan period. These developments finally took the shape of 'Operation Blackboard' Scheme. The formulation of the scheme has rightly focused on three crucial and related aspects of facilities for achieving the objectives of the scheme viz, construction of school buildings and classrooms, provision of additional teachers along with training under the scheme and procurement and supply of Teaching Learning Equipments (TLE). The OB scheme is a centrally sponsored scheme, which involves state governments also. The funds provided under the scheme for the three components are for raising the level of facilities and ultimately for improving the student teacher performance.

About the Study:

The present study has made a modest attempt in understanding the financial management of the OB scheme in the selected seven states of Goa, Karnataka, Madhya Pradesh, Punjab, Rajasthan, Tamil Nadu and West Bengal. A separate chapter is devoted to the case studies of each state and the first chapter gives an overview of the OB scheme and its financial flows for different components of the scheme. The final chapter gives an account of findings of the study and wherever possible suitable corrective measures are presented for attaining greater mileage from the scheme.

Though the scheme of OB has been implemented with a sense of sincerity, at times it has experienced practical difficulties. In order to capture these and other issues related to the financial management of the scheme, we tried to elict information from state level, district level, block level officials who are in-charge of implementing the scheme. To add to this, the school survey was conducted in each state and in all 260 schools were surveyed to know the impact of OB with regard to physical inputs supplied to the schools as well as Teachers' opinion about the scheme. It needs to be mentioned here that the photographs of all the schools surveyed were taken to have a feel of the nature of school buildings that have come up as part of the scheme. These photographs throw light on status of school buildings across the villages in the selected seven states.

Major observations which have emerged out of our study have been reproduced blow.

Flow of Resources:

- School rooms are financed both by the central and state governments, which is a major bottleneck for the availability of resources for this component of the scheme
- Portion of JRY funds which were to be diverted for the construction of school rooms were never earmarked for the purpose.

- Such a practice led to the emergence of ATU factor in financial management, Viz,

A = Amount, the total quantum of resources was not exactly known to the functionaries implementing the scheme

T = Timing, of the release, sanctions were so uncertain that, the plan of effective implementation was seriously affected.

U = Uncertainty, of the availability of funds for each successive year also hampered the progress of the scheme.

- Procedural delays cause cost escalation in school room construction, and no additional funds were made available to compensate for this escalated cost.

- TLE component is 100% financed by the central government. In first four phases, the scheme of OB stipulated that TLE materials worth Rs 7215/- need to be supplied to each school. Our analysis do not confirm this much expenditure per school.

- Even the gap between release of amount to the states by the center, and finally spending of the amount by the states for the supply of TLE to the schools is alarmingly high, which causes delays in supplies.

Physical Inputs Given by the scheme:

- Physical inputs like school rooms and materials of TLE are not supplied in accordance with the stipulations of the scheme.

- Either one room is constructed where two are needed or in case two rooms are constructed, the size of each room is reduced to accommodate according the budget.

- No where the construction of toilets is undertaken as part of the OB activity.

- TLE materials supplied do not either match the OB guidelines or the school requirements.

- Many schools have complained that materials supplied are of very low quality, and some times irrelevant for the schools. For example maps and charts supplied in one region did not match the language in which the medium of instruction was given.

- Though teachers are provided to schools, training is not provided to them as part of the OB scheme per se.

Teachers' Opinion About the Scheme:

- Majority of teachers who were interviewed as part of our school survey expressed dissatisfaction about the scheme of OB. Their views are summarized as below.

- Quality and size wise school rooms are not satisfactory.

- TLE materials are very low quality.

- No training is given to the teachers under OB scheme.

- Nonetheless there were some teachers who sincerely felt that, supply of rooms and TLE material have been responsible for attracting children to the schools.

Our discussion with officials at different levels were quite useful in getting qualitative insights about the scheme. At the district level the influence of ZP members was acting as irritant in effective implementation of the scheme. Multiple financing of the scheme has created confusion worst confounded with regard to availability of funds for the construction of school rooms. In the state of Tamil Nadu funds from JRY are not reaching the department of education at all. They directly reach the Panchayat Raj setup and the education department in view of scanty resources towards schools rooms has approached NABARD for financial assistance to construct school rooms. Procedures and lengthy formalities for procurement of TLE is a major bottleneck for causing delay of TLE supplies. No funds are provided for the training of teachers under the scheme.

Utilization of Resources:

It needs to be noted here that funding pattern of the scheme alone cannot be held responsible for utilization, under utilization over utilization or not utilization of resources. But our discussions with officials in-charge of OB scheme brought out the need for overhauling the funding mechanism for attaining better mileage out of resources so far invested. Cart percent utilization simply cannot fell utilization of manly sanctioned and coverage of schools and

appointment of teachers of per target. This is too narrow an interpretation of utilization term. It should be rightly interpreted as resources to achieve the given objectives.

What kind of alternative financial management will deliver the goods as per our expectations? Alternative financial management should be less time consuming, transparent, decentralized and cost effective. How can such a system be evolved? It is contended that such a funding mechanism can be employed by transferring more resources to the gross root level in 'money' and not in 'kind', in a decentralized and transparent manner. Such formula funding scheme has to be routed where resources are to be deployed. The empowerment committee is not at all represented by teachers, Headmasters, Parents and other local persons. Integrating educational and financial decisions calls for their active involvement. Can such an innovative formula funding scheme be implemented effectively? Any change will definitely be opposed by the interested parties supporting status quo. But on an experimental base such steps have to be taken.

Data Limitations:

Though we had designed separate survey instruments for State, District and Block level officials incharge of OB Scheme the information availability was not very much encouraging. The problems faced by us is in this regard is presented below.

State level data: In Tamil Nadu we were unable to get financial data regarding OB building construction. The same was the experience in West Bengal also. Many of the states do not maintain systematic financial data on the scheme. Despite our repeated requests we were unable to lay our hands on the relevant data.

District level data: In the state of Goa, district level information is not available due to the fact that, everything is centralized at the state headquarter itself. Hence we are unable to present district level picture for Goa. For West Bengal & Madhya Pradesh and Tamil Nadu again we were unable to present district data because of indifferent attitude of the officials, lack of systematic data maintenance at the districts. Repeated visits and continuous followup yielded results in the states of Karnataka. Punjab and Madhya Pradesh. Thus wherever possible we have included the discussion of the district level scenario about the scheme.

Block level data: It was really disgusting for us to learn that no data is available regarding the OB scheme in any of the states at the block level.

School data: Information about the physical facilities available at the schools is present in the report. The teachers perception about the OB scheme is also presented in the relevant sections of the report.

CHAPTER - 1

OPERATION BLACKBOARD:

A study of Financial Management and Physical Progress

Introduction:

Importance of investment in education has been well recognized both by researchers and policy makers. The benefits accruing from education especially Primary Education in developing countries have been documented in a number of studies both within India as well as outside. India's commitment to the spread of knowledge and freedom of thought among its citizens is reflected in its Constitution. The Directive principles state that **"the state shall endeavor to provide within a period of ten years from the announcement of this Constitution, for free and compulsory education for all children until they complete the age of fourteen years"**. Other provisions of the Constitution with regard to any citizen having a distinct language, script, special care of economic and educational interests of the unprivileged sections, particularly scheduled castes and scheduled tribes is laid down as an obligation. Though education is currently in the concurrent list of the Constitution, the state Governments play a very important role in the development of education especially in the primary and secondary Education sectors.

From 1968 onwards the goal of allocating 6% of the National Income to education has been accepted, though we have not be able to achieve it. Inspite of resource constraints as well as competing priorities, the budgetary expenditure on education by Centre and States as percentage of Gross National Product has steadily increased from 0.8% in 1951-52 to 3.3% in 1994-95. National Policy on Education (NPE) 1986, states that **" the investment on education be gradually increased to reach a level of 6% of the National Income as early as possible. Since the actual level of investment has remained far of the target, it is important that,**

greater determination is shown now to find the funds for the programmes laid down in this policy. While actual requirements will be computed from time to time on the basis of monitoring and review, the out lay on education will be stepped up to ensure that during the VIIIth Five Year Plan and onwards it will uniformly exceed 6% of National Income". If one looks at the expenditure on education by the Education Department of the Centre and the States, it has increased from Rs.644.6 millions in 1951-52 to Rs.300, 000 millions in 1995-96. In terms of its share in total budgetary expenditure, it has increased from 7.9% in 1951-52 to 11.1% in 1995-96. There are at present 130 Plan Schemes with a total VIIIth plan outlay of Rs.74430 millions. There are 18 centrally sponsored schemes which account for 65% of the total plan outlay. Mid-Day-Meal Scheme is the major Centrally sponsored scheme, other major Centrally sponsored schemes are –

- Operation Blackboard (OB).
- Non-formal Education.
- Teacher Education.
- Post Literacy and Continuing Education.
- Vocational Education

Educational Policy and Progress have been reviewed and the light of the goal of National Development and Priorities set from time to time. In its resolution of the National policy on Education in 1968, an emphasis on quality improvement and a planned, more equitable expansion of educational facilities and the need to focus on the education of girls was stressed. More than fifteen years after this policy the National Policy on Education (NPE) 1986,was formulated which provided for a comprehensive policy framework for the development of education up to the end of the century and Plan of Action (POA 1992) which spelt out specific responsibilities for organising, implementing and financing and its proposal of NPE.

India is committed to the goal of Education for All (EFA), the commitment which received international recognition at the World Conference on EFA held at Jomtien in 1990. But if one looks at the ground realities related to educational development the picture is not so encouraging. The Eighth Plan document has clearly confessed that we are quite away from the goal of universal enrollment and retention.

In the light of the National Policy on Education (NPE) 1986, the thrust of the Seventh Plan underwent a change with regard to education. The new thrust in elementary education emphasized the aspects of,

- Universal enrollment and universal retention.
- Substantial improvement in the quality of education.

Plan of Action (POA) related to National Policy on Education (NPE) 1986, clearly stated that **" enrollment by itself is of little importance if children do not continue beyond one year, many of them not seeing the school for more than few days. The National Policy on Education (NPE) also recognized the fact that unattractive school environment, unsatisfactory conditions of school buildings and insufficiency of school institutional material function and demotivating factors for children and their parents"**. Thus the policy called for substantial improvements of primary schools and provision of support services.

The proposals contained in the National Policy on Education (NPE) 1986, and the new thrust of the Seventh Plan paved the way for the Operation Blackboard (OB) Scheme.

The Union Government has accepted a large quantum of responsibility in regard to maintenance of quality and standards of education at all levels of educational process throughout the country. But the role and responsibility of the State remain undiminished-implementation of the NPE must engage the States full attention, and it is only if the task of implementation is taken up with vigor, persistence and a sense of urgency that the new schemes of quantitative expansion and qualitative improvement, aimed eventually at a transformation of the whole system; have any chance of being realised. The scheme was launched during the seventh five-year plan period (1987-88) with following components.

Components of Operation Blackboard (OB)

The scheme called for a substantial improvement in facilities in primary education has symbolically been named OPERATION BLACKBOARD (OB). OB lays down the minimum level of facilities to be provided in all primary schools which have been established so far, and it also prescribes the minimum level of funding for all new primary schools to be opened in future. There are three interdependent components of OB: -

1, Provision of at least two reasonably large rooms that are usable in all weather with a deep verandh along with separate toilet facilities for boys and girls.

2, Provision of at least two teachers, as far as possible one of them a woman, in every primary school.

3, Provision of essential teaching and learning material including blackboards, maps, charts, a small library, toys and games and some equipment for work experience.

OB is to be implemented in municipal area as well as villages. Its scope is confined to primary schools (Viz. schools up to Class IV or V depending upon the structure in different states/UTs). Upper primary schools and secondary schools, even if they have Classes I to IV/V, are not covered under the scheme. But in the modified OB scheme coverage is extended to upper primary schools also.

The coverage of OB is to be extended to all primary schools run by Government, local bodies, and Panchayat Raj institutions and recognised aided institutions. It needs to be kept in mind that this scheme is meant for educational institutions which have remained deprived of facilities and resources in the past.

Construction of school Buildings

No separate funds are being provided under OB by the Ministry of HRD (Department of Education) for construction of primary school buildings. Some State Governments were provided funds by the Eighth Finance Commission for construction of school buildings and steps should be taken for timely and planned use of those funds. National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEGP) have considerable funds in all States/UTs. A decision has been taken at the highest level to give high priority under these schemes to construction of primary school buildings. This decision has been incorporated in the manual recently brought out by Ministry of Agriculture (Dept. of Rural Development), Government of India. This priority has been reiterated by the Department of Rural Development vide their Secretary's instructions to State Governments in his D.O. letter No.M.20042/27-85 RLEGP dated 30-7-87. The coordination Committee set up by all State Governments under chairmanship of Chief secretary to oversee implementation of NPE should be able to ensure that adequate funds become available under NREP/RLEGP for programme of construction of primary school buildings. It may be clarified that the essential parameters of NREP/RLEGP will remain unchanged even when these programmes are used for OB.

Provision of second teacher in single teacher schools

The percentage of single teacher schools has been going down in the country. However, in some States the number of such schools continues to be alarmingly large and it adversely affects educational standards. This problem is, however, confined to rural areas. A second teacher will be provided as a part of OB for all single teacher schools.

Instructions for Learning Material

The essential facilities in primary schools have been spelt out in the policy document. This list has been prepared after a great deal of examination and should hold good for all schools through out the country. However, those State Governments/UTs, which consider it essential to

make departure from this list may do so provided that they can give sufficient justification therefore and it does not lead to increase in costs.

Financial Pattern and Procedure for Sanction

OB is a centrally sponsored scheme. No separate funds have been provided under it for construction of primary school buildings in rural areas. It is to form part of NREP, RLEGP and other appropriate schemes, including special area development schemes such as Tribal Sub-Plans, Hill Areas Development Programme, Border Area Development Programme etc. Funds for appointment of second teacher schools and for purchase of instructional/learning material will be provided by the Central Government on hundred percent basis up to the end of the Seventh Plan. It shall be necessary for the State Governments to draw up, and adhere to, a detailed plan for construction of primary school buildings as envisaged in OB. On the basis of the detailed plans in the subsequent two years the progress of construction of buildings will be evaluated before consideration of proposal for funds under OB. The liability in respect of teachers posts will get transferred to the State Governments after the Seventh Plan. Necessary steps should be taken now itself to ensure that the liability during the Eighth Plan gets treated as committed expenditure by the Ninth Finance Commission. The central assistance is contingent upon the State Governments and /or local bodies and/or the local community.

On the basis of sanctions made by the Empowerment Committee the fund will be released by the Government of India. For equipment 50% of requirement for the year will be sanctioned immediately after the block/municipal area-wise projects are sanctioned by the Empowerment Committee and the remaining amount will be released when the State Government is able to report the progress of expenditure showing that 75% of the earlier amount has been spent. For second teacher 50% of the money for the year will be sanctioned when the State Government has created the post for the second teachers and Government is able to show the progress of expenditure indicating that 75% of the earlier amount has been utilized.

The overall financing pattern of OB scheme is depicted in the chart below.

A Plan of Financial Flows for Operation Blackboard

Item	Central Government's Share		State Government's Share		Community's Contribution		Planning, Monitoring Responsibilities
	Share	Period	Share	Period	Share	Period	
1. Salary of additional teacher/s in single teacher schools	100%	Plan Period	(100%)	Beyond Plan Period	-	-	Empowerment Committee with Central and State Govt. membership
2. In-Service Training of teachers	-	-	100%	At Regular Intervals	-	-	
3. Provision of two rooms per school	Unit Cost based	Funds to be supplied from rural development and social welfare schemes and not from Dept. of Education	Maintenance and up-keep of the building		Provision of Land and Fencing		Detailed micro planning by the state government.
4. Teaching-Learning Equipment (TLE)	Specified amount per school for the 15 specified item heads	-	Replenishment of worn out equipment				

Extended Phase of Operation Blackboard

The external evaluation of the scheme has revealed that the scheme was making slow progress as of March 1992 about 77% of the schools were then covered in 84% of the Community Development Blocks (for rural areas). About 29% of the Municipal area was also covered. Appointment of teachers was to extent of 43% because it was implemented in a phased manner. The evaluation has also brought out the following drawbacks coming in the way of effective implementation of the scheme.

- lack of training of teachers in using the teaching material.
- facilities provided were not in tune with local needs.
- lack of provision for breakage of equipment.

[11] Evaluation was carried out by National Institute of Rural Development, Hyderabad. (Quoted in Singh S. K and S.Rajkutty, Implementation of Education Policy in India – The case of Operation BlackBoard, Journal of Educational Planning and Administration, Vol-XIII No.2 April 1998)

The scheme was making slow progress due to the fact that it was implemented in a phased manner and hence it got extended during the VIII plan also with the following three additional sub-schemes. The scheme also has been extended in subsequent IXth and Xth Five year plans.

- Continuation of ongoing Operation Blackboard (OB) to cover all the remaining primary schools especially those in SC/ST areas.
- Expanding the scope of Operation Blackboard (OB) to provide three teachers and three rooms to primary schools wherever enrollment warrants them.
- Expanding Operation Blackboard (OB) to upper primary schools to provide

1. At least one room for each class/section.
2. Headmaster cum office room.
3. Separate toilet facilities for boys and girls.
4. Essential teaching learning equipment including a library.
5. At least one teacher for each class/section and,
6. A contingency grant for replenishment of items consumable and minor repairs.

As stated above the system of multiple-source financing is likely to develop problems regarding availability of resources for the scheme as a whole particularly with respect to the quantum of funds and the time of their release. The Central Government is expected to provide resource for teachers' salaries and equipments, the State Governments are required to mobilize resources for the school buildings, Head Master room and toilet facilities through rural developmental schemes for egg., earlier Jawahar Rozgar Yojana. Such conditional ties have posed various hurdles with regard to the actual availability of resources from the Center to the States under JRY or any other such employment-generating scheme.

Sample Design and Methodology

Considering the prevailing unevenness across the states with regard to the release as well as utilization of the funds for the OB scheme, seven states were selected for the study. In

addition to this the overall development and their geographical location within India were also considered in the selection of the states. The selection of districts is as explained below,

- The states were divided into geographical regions,
- Within such regions, two districts were selected depending on the SC and ST population and the geographical location of district,
- Within the districts two blocks were selected on the same criteria as was done for the districts,
- In each of the selected blocks 10 schools were selected randomly and following factors were considered for due representation

    I. remote location of schools
    II. schools where new buildings were added under OB
    III. schools where a second teacher was added under OB

The states, districts and blocks selected for the study is presented below,

State	Districts	Blocks	No. of Schools
1. Punjab	Gurdaspur	Navot-Jaimalsingh, Kalanpur	20
	Faridkot	Moga, Lambi	20
2. Rajasthan	Ganganagar	Karanpur, Suvatgarh	20
	Udaipur	Mavli, Dhariawal	20
3. Madhya Pradesh	Gwalior	Morar, Bhitarwar	20
	Bastar	Bastanar, Sukma	20
4. West Bengal	Jalpaiguri	Mayanagri, Rajganj	20
	Midnapore	Midnapore, Daspur	20
5. Karnataka	Gulbarga	Afzalpur, Chilcholi	20
	Tumkur	Kunigal, Pavagada	20
6. Tamil Nadu	Chengalpattu	Ellapuram, Kanchipuram	20
	Coimbatore	Pogalur, Udumalaipatti	20
7. Goa	South Goa	Anagauem, CanaCona	20

Method of Data Collection

In the early stages of the study, we tried to gather the information about the scheme of OB at the district level. In a district of Karnataka state, the District Education Officer (DDPI) was contacted and a meeting was organized in CMDR, Dharwad to discuss the modus operandi of the OB scheme at the district level. In the next step field survey instruments were prepared and pilot tested in two states. Pilot testing of the instruments helped us to gain more insights about operational aspects of the scheme. The results of the pilot survey and the fine tuning of instruments were discussed in a meeting attended by education department officials as well as other academicians. Separate instruments were finalized for different levels of data collection related to the OB scheme.

i. Schedule for state level officials
ii. Schedule for district level officials
iii. Schedule for block level officials
iv. Schedule for school Head Master

Along with these structured instruments extensive discussions were also held to collect the opinions and views of officials at different level as well as school teachers. This helped us to know about quantitative aspects and other bottlenecks related to the scheme which may not be reflected though the use of structured schedules only.

CHAPTER –II

Is OBB a Luxury?

A Case Study of Goa:

When the OBB Scheme was launched in 1987-88, its three components namely (1) Construction of School buildings and class rooms; (2) recruitment of teachers to convert single teacher to two or more teacher schools, and (3) Provision of teaching-learning equipment to schools-were viewed as clearly inter-dependent in the sense of a policy package for bringing primary schools to the minimum level of physical, teaching and learning facilities for the fulfillment of the goal of universalization of enrolment and retention of children at the primary stage of education.

Needs and Utilization of Resources:

A survey, and the only one, was conducted to identify the needs of primary schools (classes I to IV) lacking in the availability of minimum facilities with regard to the three components of the OBB scheme. The proposal prepared then was submitted to the Empowerment Committee responsible for relating educational and financial decisions about deploying of resources to effective teaching and learning. It was decided to construct additional 355 classrooms, either one or two rooms, to appoint additional 167 teachers and to supply TLE to 966 schools. As a proportion of 1240 primary schools in existence at the time of survey, additional classrooms formed around 29%, additional number of teachers accounted for roughly 14% and schools identified for the supply of TLE formed 78%.

Since in the state of Goa, which is geographically very small the administrative matters are concentrated in the state capital and very little district level information is available for undertaking a meaningful analysis.

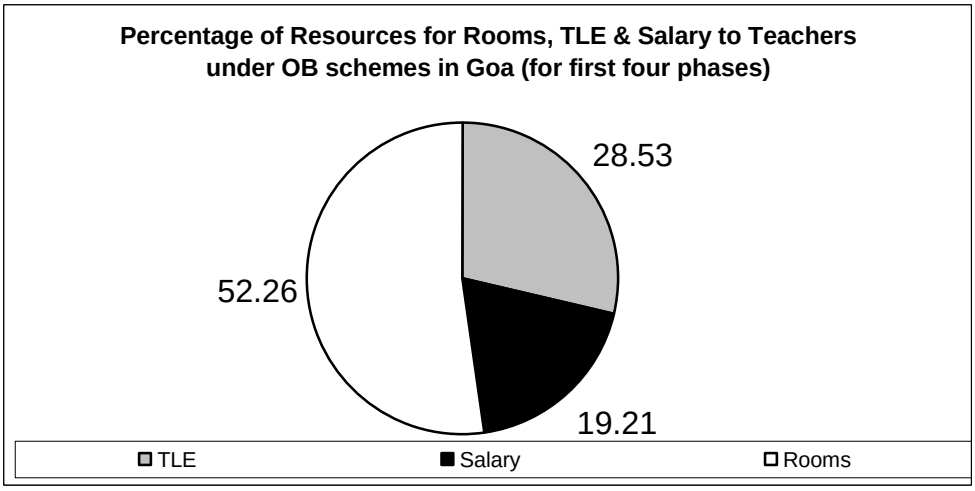
Table-1
Amount Sanctioned And Released By Component of OBB in Goa
(Rs. In lakhs)

Year	Classrooms construction		% Utilized	Salary of Teachers		% Utilized	Teaching learning equipments		
	Sanctioned	Spent		Sanctioned	Spent		Sanctioned	Spent	%of utilized
1987-88 1990-91	190.98	131.86	69%	48.47	48.47	100	71.97	71.97	100%
1992-93 1996-97	–	–	–	117.49	117.49	100	37.08	33.51	90.40%

No of classrooms sanctioned for construction	No. Constructed	No. of classroom left for construction	No. of additional teachers sanctioned	No. of schools covered and supplied TLE
355	183	31	167	966

Even 20 schools (10 per block) surveyed by us revealed that the number of teachers per school was 3 and number of rooms 2.6 per school, whereas only 25% of schools reported **having different items of TLE.** This lends support to the sanctity of the TLE needs identified by the survey. This may not be so, for the first two components. Out of 355 rooms sanctioned, 20% of schools declared that they were not in need of additional rooms. There was no single teacher school in Goa. Throughout the period, number of teachers per school has remained slightly above 3. Moreover, we observe a decline in the number of students catered to by a teacher (i.e. pupil-teacher ratio) from 29 in 1987-88 to 25 in 1998-99-the ratio at both points of time was far below the norm of 35:1. Apparently it appears that this component should not have been included. But as averages conceal more than what they reveal let us presume that the need for additional teachers was genuine. In fact, recruitment of 167 teachers works out clearly 4% of the total number of teachers in primary schools. But **the State of Goa definitely was not as much deficient in building / classrooms and teachers as in TLE.** If with regard to the first two components, Goa had crossed the minimum level of facilities laid down under the scheme, then the decision to implement the scheme in all parts of the country begs a question. **Instead of spreading limited financial resources thinly, they could have been deployed more judiciously in selected areas to bring those areas to that critical minimum level at par with other areas. This has been happening in the Indian economy and this is the pertinent issue in the realm of financial management.** This issue calls for a detailed probing.

Since the inception of the scheme from 1987 onwards the scheme is aiming at providing three components of the scheme namely rooms, teachers and TLE. 28.53 per cent was towards construction of schoolrooms, 52.26 per cent for the supply of TLE and 19.21 per cent was for the salary expenditure of additional teachers recruited during the first four phases. The following chart depicts the percentage share of resources for the three components for the initial four phases only.



Burden to the state on account of OB:

If we look to the amount spent on school buildings which was to the tune of Rs.131.86 lakh for first four phases only, the state had to mobilize 68.50 lakhs. This is in accordance with the stipulation as laid down in the OB scheme i.e.40% of non-JRY and 12% of JRY state share. On account of teachers recruitment about Rs.48 lakhs was spent in the state and as and when the teachers get transferred to the non plan account the state is likely to experience a burden of Rs. 48 lakhs as of 1991. If the pay hikes and D.A. hikes are added to this the burden of the state keeps on increasing as the time passes.

Flow and Utilization of Funds for School buildings & classrooms.

The state must have met the condition for the availability of construction funds namely "48% of the funds for construction are provided by the Ministry of Rural Areas and Employment under JRY, if the state raises 40% non-JRY and 12% JRYs state share (Annual Report, 1998-99, MHRD). In fact, the financial burden shared by the State and the center was in the ratio of 75:25 (i.e.$3/4^{th}$: $1/4^{th}$) the construction responsibility rests with the State.

Total construction fund sanctioned for the period 1987-88-1990-91 was of the order of Rs. 191 lakh-, which amounts to Rs. 0.54 lakh per classroom (unit cost of construction where a classroom is unit). Amount spent on construction was Rs. 132 lakh-69% of the sanctioned amount. The extent of underutilization seems to be on the high side (31%). **Reasons for**

underutilization can be probed easily. (1) 71 (20%) rooms could not be constructed, as land was not made available by the Community; (2) 71 (20%) schools identified for this component were not in need of additional rooms as enrolment has started declining. This was the picture as on 31st March 1999. **Does this imply improper evaluation of school need for buildings and classrooms?** The community/State not prepared to spare the requisite amount of land for such a noble cause is not easily digestible. Who is the 'Community' in this context? If the land to be donated for this purpose a 'Common Property Resources'? the reason may be an excuse. In reality, they must be having adequate number of classrooms. In fact, primary schools in rural areas enrolling students up to 50 (550 schools out of 821 total 67%) on average have 2.01 rooms; out of these 550 schools, 358 schools (65%) have 2 rooms and more. (Source: Table 515-36 schools. According to size and Total Number of rooms-Sixth All-India Education Survey).

Number of rooms constructed was 181 whereas construction was in progress in 2. The actual cost of construction (i.e. amount spent/number of rooms constructed and in progress) has shot up to Rs. 0.72 lakh-one –third Cost escalation compared to the estimated one. Whatever may be the reason for cost escalation, **one thing comes out clearly that no extra funds are needed for the construction of remaining 29 rooms for which construction formalities have begun and for the 2 rooms where construction is in progress.** On the basis of above spelled out **two unit costs (estimated and actual),** the construction of 31 rooms requires Rs. 16.74 lakhs (Rs. 0.54 lakh X 31 rooms) and Rs. 22.32 lakhs (Rs. 0.72 lakh X 31 rooms), which in any case is going to leave **a surplus of approximately Rs. 40 lakh.** Even the 72 rooms on the availability of land could also be constructed or the amount could be used for repairs and maintenance which is the state responsibility or for expanding urinal and lavatory facilities which leave much to be desired. Or the unspent balance could be diverted to TLE where also it is most required. Had due care been **taken out of** the total funds sanctioned (for all the three components), the share of toilets etc and TLE could have been raised. Such reallocation would have turned out to be more effective **instead of allowing funds going unutilized.** It is the responsibility of state officials to manage the funds in a better way. As per the condition, the state share in construction is 52%. The state could have allocated this much instead of sharing 75% of the funding responsibility. Proper identification of classroom needs at the time of survey could have spared the state from such kind of **misallocation of resources.** Cost escalation of the magnitude observed is again

unjustified. Procedure followed for the construction needs to be streamlined so that delay in construction beyond the stipulated time permitted can be averted. When community is supposed to provide the land, why not involve community fully in this task upholding the principle of decentralized financial management? Probably, **wisely after 1992-93, no financial provision was made for the component in question.**

Reflections from School Survey:

If the above picture emerges from the official records, an attempt was made to look at the ground situation from a quick survey of 40 schools in two blocks of South Goa district. In the blocks of Canacona and Anaguem, the following picture emerged with regard to some of the aspects of school building, as shown below.

Table-2

School Survey Results of OB schools-GOA

State District Block	Goa S. Goa Conacona	 S. Goa Anaguem	Total	% out of sample of 20 Schools
Separate Room for H-Teacher	0	5	5	25%
Separate Toilet for Girls	3	5	8	40%
Separate Toilet for Boys	3	2	5	25%
Common Toilet	0	1	1	5%
Drinking Water Facility	2	4	6	30%
Electricity	2	8	10	50%

Source:CMDR Survey.

The funding mechanism, flow of resources community contribution and the issues related to these aspects have played their role in the picture as depicted above. As can be noted from above, toilet facilities are not in a satisfactory position as far as their percentage availability is concerned. Even a separate room for the Head Teacher was available in only about 25% of the schools, drinking water facility was found only in 50% of the schools. A more qualitative look at the school buildings is also obtained by the photographs of the schools surveyed which narrate the pathetic conditions of such buildings.

Utilisation of Funds for Recruitment of Teachers:

All the 167 additional posts of teachers sanctioned were filled up by 1990-91 that is within four years of the launching of the OBB Scheme.

The amount sanctioned and utilized was Rs. 48.47 lakh (1987-88 to 1990-91 only). Per teacher expenditure for one year comes to Rs. 29,240. The average per month works out to Rs. 2437/-. **Afterwards, no teacher was appointed but expenditure under the head continued most expectedly as committed expenditure (non-plan) to be borne by the concerned state. To our surprise, this later expenditure on teacher salary as revealed by the information supplied supplied to us by the District Education office was also borne by the Government of India**. When one of our field investigators visited the concerned Department, it was clarified that salary expenditure from 1992-93 onwards was to be borne by the state government only. There is discrepancy with regard to the funding of non-plan salary expenditure. **The state government might have covered this expenditure along with other heads under the state plan for which financial assistance is provided by the Central government or this information might have been wrongly classified**. In all probability, since funding of teacher salary is undertaken by the central government, it might have continued as the Central government's responsibility though in fact it has become the state's responsibility on becoming a part of non-plan expenditure. **If such practices are in vogue, they need to be curbed.** Goa could have very much honored this commitment had the funding of the first component been estimated properly.

During 1992-93 to 1996-97, the amount spent on salary was Rs. 117.49 lakh, an increase almost by 2 1/2 times Per teacher per annum it works out to Rs. 70,359/-; per teacher per month it comes to Rs. 5863, more than two times higher than Rs. 2,437/- they got during 1987-88. Average monthly salary when deflated by SDP deflator has shown an increase from Rs. 1,354/- during 1987-88 to 1990-91 to Rs. 2,094/- during 1992-93 to 1996-97-an increase of 1.5 of times.

Ratio of male to female teachers has been maintained. For the first four phases on an average it was 1: 1.8-as high as the ratio for the state as a whole. The bifurcation of 167 additional teachers appointed shows that 129 single teacher schools got converted into two

teacher schools and 38 already two teacher schools now became three teacher schools. 1159 teachers were trained during these phases. The phase wise appointment of teachers reveals that two-thirds of them were appointed during the first two years of the scheme. All these achievements are undoubtedly laudable. Their immediate impact should necessarily be on enrolment particularly of underprivileged population. Whether we confine to enrolment of SC/ST students in all the primary schools or to that in OBB Primary Schools, it is observed that **even in absolute number the enrolment has declined during 1987-88 to 1991-92 and picked up since 1992-93.** The average enrolment of SC/ST students in OBB schools was 1503 during 1987-88 to 1990-91. It was marginally higher at 1545 (2.8% increase) during 1992-93 to 1998-99. In OBB schools their average share of 50% of the SC/ST enrolment in all Primary Schools for the period 1987-88 to 1990-91 moved up to 56% during 1992-93 to 1998-99. The average share of SC/ST in all Primary Schools shows a fall by 8% between these two terminal periods.

Table-3
Enrolment of SC/ST Students in Primary Schools (I-IV) and in OBB Schools-Goa

Year	Average Enrolment (SC/ST) All Primary Schools	Average Enrolment (SC/ST) OBB Schools	% (3/2)
1	2	3	4
1987-88 To 1990-91	3008	1503	50%
1991-92	1170	881	50%
1992-93 To 1997-98	2714	1359	50%
1998-99	3038	2660	88%
1992-93 To 1998-99	2761	1545	56%

% Change in 1992-93 1998-99 Over 1987-88 1990-91	-8.20%	2.80%	_

Source: MHRD Govt of India

This, then seems to be the marginal impact of the conversion of one teacher to two teacher and two to three teacher schools on enrolment. Whether this favorable impact has helped retention of SC/ST students till they complete four years of primary education is to be probed in the light of the provision of teaching/learning equipments.

Release and Utilization of Funds for Teaching/Learning Equipment (TLE)

At least during the first four phases of the scheme the amount of Rs. 72 lakh spent of TLE was higher than that of Rs. 48 lakh on salary of teachers 50% more.

Table-4 Teaching Learning Equipment in OB School-Goa

Years	Amount Released	Amount Utilised
1987-88	9.81	9.81
1988-89	18.17	18.17
1989-90	22.61	22.61
1990-91	21.38	21.38
1991-92	-	-
1992-93	-	-
1993-94	-	-
1994-95	-	-
1995-96	28.08	28.08
1996-97	_	_
1987-98	9.00	9.00

Source: MHRD, Govt. of India

Expenditure on TLE remains plan-scheme expenditure unlike salary expenditure which gets converted from plan to non-plan expenditure. So, the above comparison stands for the plan period. When the extended phase of OBB scheme in Goa was implemented from 1995-96 onwards, it is the TLE component that was retained. However during the extended

phase, only upper primary schools were covered. **Does this mean that at the Primary schools level now no expenditure on TLE is required? Apparently, it seems so.** All the 966 schools identified for coverage under this component were covered by 1990-91. Does it also imply that all the Primary schools have attained the minimum level of TLE for smooth functioning of schools? With respect to TLE a uniform unit cost of Rs. 7215 was prescribed hinting at centralized procurement and delivery. Items which can be fabricated and manufactured by government agencies have to be purchased at standard rates from them only. This reduces the dependence on market for procurement of TLE. **Can such a uniform cost be set up? Taking note of price variations across states/regions, local purchase at a lower cost may be allowed.** For Goa, it is Rs. 7453-around 3% higher than the prescribed one. The justification given for the centralized purchase of TLE in bulk is that it can be purchased at a competitive price which amounts to lower actual cost. Not only purchasing, even distribution is centralized. The whole kit flows from D.E office to ADIE office at Taluka level and from there to schools bypassing DEO (zonal office) and involving transportation cost.

Supply of TLE to schools:

Our survey of schools as explained earlier touched upon availability of certain TLE materials at the school level and also the opinion of school teacher about qualitative aspects of TLE component. Following table depicts the existing scenario in the surveyed schools.

Table-5

School Survey Results of OB schools-Goa

State District Block	Goa			% out of sample of 20 Schools
	S.Goa Conacona	S.Goa Anaguem	Total	
Information about OB Scheme				
Know TLE Material supply under OB	10	10	20	100%
Storage Facility	10	9	19	95%
Satisfied with Content of TLE	4	10	14	70%
Procurement & Delivery procedure	8	8	16	80%
Availability of TLE/Material				
Teaching Guide: Science	10	10	20	100%
Teaching Guide: Maths	10	10	20	100%
Teaching Guide: Social Studies	10	10	20	100%
Maps:District	10	9	19	95%

Maps:State	10	10	20	100%
Maps: Nation	1	6	7	35%
Maps:World	2	1	3	15%
Charts	10	10	20	100%
Sports Equipments	10	10	20	100%
Library Books	10	10	20	100%
Mini Tool Kits	10	10	20	100%
Primary Science Kit	10	10	20	100%
Mathematics Kit	10	10	20	100%

Source: CMDR Survey.

The situation of TLE supply seems to be encouraging in Goa, but the storage facilities for TLE materials is in short supply. Teachers seem to be not satisfied with the content of TLE and also with regard to the procedures adopted for procurement and delivery of TLE.

No one seems to be happy with the procedure and pleads for decentralized and transparent procurement and distribution of TLE involving teachers and local persons who are more competent to assess their needs and availability locally. Taluka block level officers of Education Department and head masters and teachers have openly expressed their reservations about the cost, quantity, quality, relevance and the use of TLE. This is largely borne out from the lengthy correspondence regarding tenders accepted/rejected, quantity and quality of TLE between finance and education departments which the field investigator had a chance to glance through and also from the notes prepared by them. Other studies have also expressed similar feeling about TLE component on which depends the final teaching/learning outcome.

Concluding Observations:

The basic issue is scientific and systematic identification of needs for TLE with which teachers and local persons can per term do better and relating these needs to school performance. This may not be taken as cause and effect relationship but some such kind of association is always bound to be there. Moreover, the concept of ‘minimum’ level (threshold level) of facilities is not a static one. Minimum itself in future may be above the minimum now. Nobody would like to remain at minimum permanently. Backward Communities would like to catch up the forward communities. **The gist of what is said above and with regard to school** buildings and classrooms is that such a funding mechanism be evolved which transfers more resources to the grass root level in ‘money’ and not in ‘kind’. This is the very essence of decentralized and transparent financial management. What is at stake here is that the same age-old financial and

administrative procedures are being applied to all plan central schemes. It is the innovativeness that is absent when schemes like OBB in the education sector with long-term consequences are implemented. Such a formula funding scheme has to be rooted where resources are to be deployed. **The empowerment committee constituted consists of persons from education and finance ministries and departments but no one from schools. Integrating educational and financial decisions for better mileage out of given resources calls for the involvement of teachers, headmasters, parents and other local persons.** Cent percent utilization simply connotes full utilization of money sanctioned and coverage of schools and appointment of teachers as per target. **This is too narrow an interpretation of the 'utilization'. It should rightly be interpreted as the most cost effective use of all kinds of resources to achieve the given ends/objectives.**

Goa has done well with respect to the construction of school buildings and classrooms. This need, however, should have been properly identified. This would have resulted in the reallocation of financial resources in favor of TLE and toilets for better overall achievements.

Funding of salary expenditure (plan expenditure) on becoming non plan (committed) expenditure requires close scrutiny and monitoring especially when it continues to be financed by the center though it has become the state's commitment.

CHAPTER – III

A Mixed Experience about OBB:

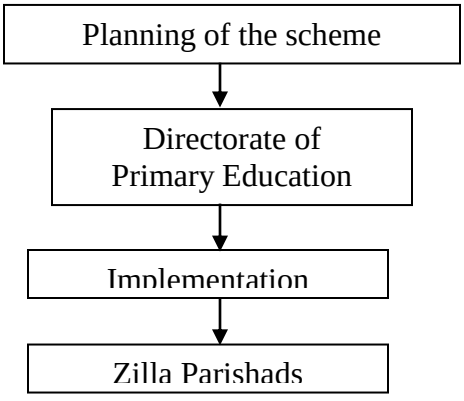
A Case Study of Karnataka

Karnataka, the sixth largest state in India, has an area of 191,713 sq. Km's and lies between the latitudes 11.5' and 19' N and 70' and 78' E. The state is situated in the west central part of the peninsular India. It consists of a narrow elongated belt between the Arabian Sea and the western ghats with a long coast line of about 400 Km's.

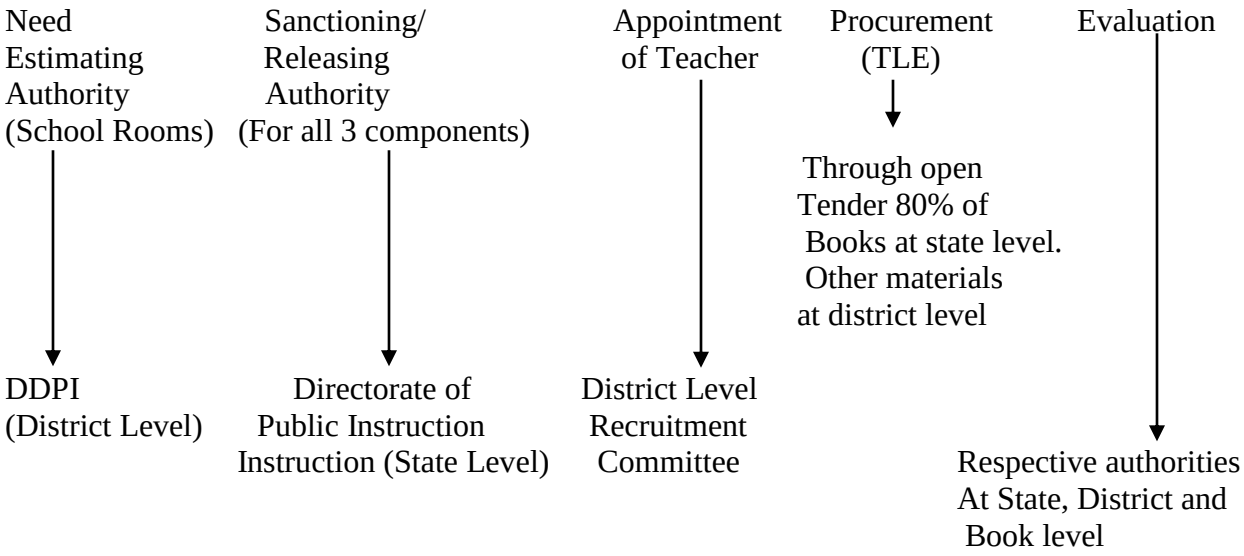
For the administrative convenience the state has been divided into Divisions, Districts and Taluks. There are 4 divisions in the state (Bangalore, Mysore, Belgaum and Gulbarga) and 20 districts with 175 taluks in all. Recently with reorganization of the districts, there are now 27 districts in the state. The population of the state is 409 lakhs according to 1991 Census. The density of population is 194 persons per Sq. Km which is less than all India figure. The urban population constitutes 26 percent and nearly 14 percent of the total population belongs to the schedule castes and tribes. The literacy rate is 52 percent according to the 1991 provisional census figures.

Operation Black Board in Karnataka

The scheme of operation Blackboard is implemented in Karnataka with the following institutional mechanism.



Administrative Arrangement of OB Scheme:



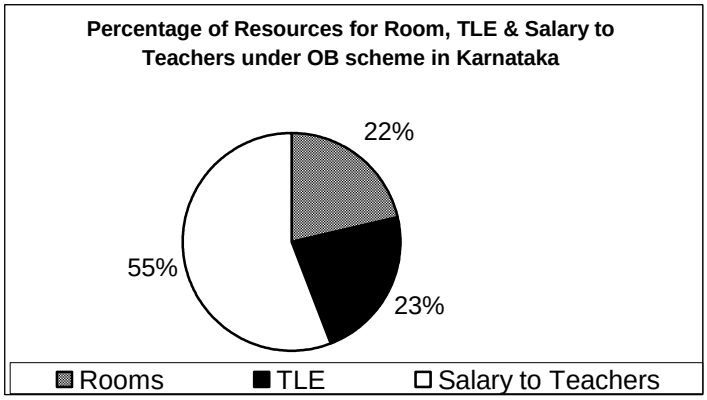
Note: DDPI=Deputy Director of Public Instruction (District Education Officer)
The year wise primary and higher primary number of schools in the state is as shown below

Table-1

No. Of Schools in Karnataka
No. of Schools

Years	Lower Primary (I-IV-std)	Higher Primary (V-VII std)
1987-88	23337	15725
1988-89	23078	15905
1989-90	23539	16318
1990-91	23695	16512
1991-92	23806	16962
1992-93	23395	17157
1993-94	22768	18916
1994-95	23457	18638
1995-96	23845	20300
1996-97	24671	20345
1997-98	23116	23859
1998-99	23226	24909

Source: Dept. of Education Govt. of Karnataka



Since the inception of the scheme from 1987 onwards the scheme is aiming at providing three components of the scheme namely rooms, teachers and TLE. Out of the total resources for OB in the state 47.16 per cent was towards construction of school rooms, 21.08 per cent for the supply of TLE and 31.75 per cent was for the salary expenditure of additional teachers recruited during the first four phases. The greater utilization of funds to the extent of 99% was found with regard to the rooms. Followed by this, amount towards teachers salary was utilized to the extent of 71 per cent and for TLE supply the utilization of funds was to the extent of 80%.

Component wise funding of the scheme:

With regard to construction of classrooms we can note from the table below that the percentage achievement of the target was quite significant for the initial first four phases. In the first phase about 99 percent of the rooms were constructed, and in II, III and IV phase around 95 per cent of the proposed rooms got constructed. In the V and VI phases 74 and 72 percent of the rooms were constructed. The rooms constructed vis-a-vis proposed for construction is declining as the scheme has progressed. When one looks at this kind of a situation, it needs to be examined whether the quantum of resources available towards the construction of school rooms being constructed are declining over the period of time.

Table-2

Release & Utilization of Funds for Construction of Classrooms : (Number of class rooms)

Phases	Year	Target	Completed	% Completed
I	1987-88	2260	2257	99.87
II	1988-89	6094	5899	96.80
III	1989-90	3438	3316	96.45
IV	1991-92	6761	6424	95.02
V	1994-95	420	314	74.76
VI	1994-95	2769	2012	72.66
Extended IV	1999-2000	3788	92	2.43
Total		25530	20222	79.21

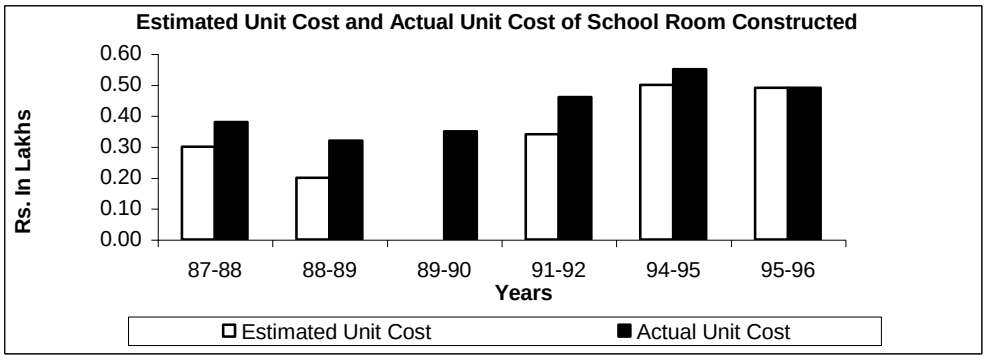
Source: Department of Education, Karnataka.

The unit cost of construction of a room in Karnataka according to the official estimates was Rs. 40,000 in 1987-88 and it has gone up to Rs. 1,10,000 in 1998-99. It naturally follows from this that the actual sanction of the money for each room proposed for construction should be in accordance with the rising cost of construction. If one looks at the following table, the picture about the estimated and actual cost per room differs considerably which is likely to affect the completion of the construction of envisaged schoolrooms.

Table-3
Estimated and actual cost of construction of Class Rooms (Rs. In Lakhs)

Years	Estimated Unit Cost	Actual Unit Cost	% Unutilised	% of rooms Construction
87-88	0.30	0.38	-	99%
88-89	0.20	0.32	-	96%
89-90	-	0.35	-	96%
91-92	0.34	0.46	-	95%
94-95	0.50	0.55	17.60	74%
95-96	0.49	0.49	27.00	72%

Source: Dept of Education Govt of Karnataka



Above table and graph present considerable differences in estimated unit cost (amount sanctioned for construction/ total rooms proposed for construction visa-a-vis the actual unit cost (amount spent/number of rooms constructed) is much higher. In the background of the multiple financing for the sake of room construction, the issue needs to be probed further. The OB scheme stipulates that central government provides 48% of the funds for the construction of the school rooms under the JRY scheme only if the state raises 40% of non JRY and 12% of JRY state share, such a condition may prove to be burdensome for the state, if states are already experiencing difficulty on 'States Own Resources' account. But most importantly the construction of school rooms is affected mainly due to the non-availability of Funds from IRY scheme. Such funds are not earmarked and hence uncertainly crops up regarding their

availability. **Coupled with this the rising gap between estimated and actual unit cost points to the fact that rising costs of construction do not get reflected in the cost estimation process, which may result in under utilization of resources meant for school room construction.**

As can be noted from the table the actual unit cost is much higher than the estimated cost which may be the reason for the state for not constructing as many rooms it had sanctioned for construction. In the background of this if we look to the V and VI All India Education Surveys, it is interesting to note that the primary level education is still in want of additional rooms. For example in V All India Education survey we see that about 1.1 per cent of the school did not have any rooms in rural areas, and about 2.2 per cent of the urban schools were without rooms. The picture worsened in the VI survey with the respective figures of 4.5 and 5.1. This only means that even when the state was unable to construct additional rooms sanctioned, and as the schools continued to experience no room situation, in primary stages, the scheme got extended to upper primary stage. Thus there seems to be no convincing reason for this extension, when the ground was not cleared at the primary stage itself. This can be even substantiated by the fact that, based on the VI AIES, about 3.39 per cent of the schools in rural areas and 2.73 per cent of the schools in urban had only one room. This indicates that the stipulation of the OB to provide one additional room is not achieved completely. Our field survey of the schools in selected blocks of Gulbarga district has revealed that in two villages out of 20 surveyed the students were studying under the shade of a tree. In 4 to 5 schools there was only one room, though the strength of the school warranted additional rooms.

The discussions with the state level official revealed that, the percentage of rooms getting constructed is declining due to the procedural delays which also affect the cost of construction going up before the rooms are completed fully. **The interplay of administrative and political apparatus at the ZP level is the major factor for decline in the construction of rooms.** Vested interests at this level have been responsible for either postponing the construction for monetary gains or possibly they want the room construction in a particular place where there may not be a genuine need for such a room. The quality of the constructed rooms is also not satisfactory and rooms go without any maintenance for long years. ZP Engineering Division, Taluka Panchayat and Land Army are the major agencies constructing schoolrooms in the state.

But none of the agencies complete the schoolrooms on time and according to the prescribed specifications. The state level officials feel that a state tendering system would be more effective in timely completion of the schoolrooms.

The estimation of school needs with regard to the school room either have not been properly assessed or as revealed during our discussion with district and block level officials, the rooms were taken away by the more vocal elected representatives of the ZP setup to their own constituencies. This begs the questions as to whether the decentralization has really helped the process of balanced regional development at large and equity in providing educational facilities in particular. The issue needs further probing.

School Buildings Reflections From Our Survey:

In order to access the states of school buildings 40 schools were surveyed by us in Gulbarga and Tumkur districts. The survey findings reveal that the school rooms and other facilities in schools are in a very discouraging state. Which is revealed by the table below.

Table-4

School Survey Results of OB schools-Karnataka

State	**Karnataka**					% out of Sample of 40 Schools
District	Gulbarga	Gulbarga	Tumkur	Tumkur	Total	
Block	Afzalpur	Chincholi	Pavagada	Kunigal		
Separate Room for H-Teacher	1	1	1	2	5	13%
Separate Toilet for Girls	0	0	0	0	0	0%
Separate Toilet for Boys	0	0	0	0	0	0%
Common Toilet	1	0	0	2	3	8%
Drinking Water Facility	0	1	1	3	5	13%
Electricity	1	3	1	2	7	18%

Source: CMDR survey

We can note from the table that none of the schools surveyed had toilet for girls and boys. Only in 13% of the schools there was the facility for drinking water. The survey has also revealed that the rooms constructed were non in accordance with the OB stipulation. This was due to cost escalation and hence the size of the room was contracted to accommodate construction within the stipulated budget. Nowhere in the state toilets were constructed as part of the OB schme.

Release and Utilisation of funds for Teaching Learning Equipment (TLE)

With regard to the teaching learning equipment it is to be noted that upto the year 1991-92 about 90% of the primary schools were covered. When the scheme got extended to the upper primary level also we notice that the coverage of schools is not quite satisfactory. This is reflected in the percentage of schools covered under the extended phase of the scheme. Table below gives us the coverage of OB scheme in Karnataka with regard to the TLE component.

Table - 5

Teaching Learning Equipment in OB school-Karnataka

Phase	Year	No. of school covered under OB	Total no. of Schools	% of Schools covered
I	1987-88	2473	23337	10.6
II	1988-89	7598	23078	32.92
III	1989-90	4009	23539	17.03
IV	1991-92	7918	23806	33.26
V	1994-95	283	42095	0.67
Ext I	1994-95	1578	44145	3.57
Ext II	1994-95	7935	45016	17.63
Ext III	1998-99	8205	46975	17.47
Ext IV	1999-2000	1198	48135	2.49
Total		41197		

Source: Department of Education Govt of Karnataka

With regard to the coverage of OB for the TLE component it may noted from the table that, coverage of schools was quite satisfactory before the launch of the extended phase.

The extended phase has not been able to achieve good ground with regard to the supply of TLE to the schools. We can note from the table that by the year 1991-92 about 94 per cent of the LPS were covered. As the component got extended to the HPS also its progress is not as encouraging as it was. An important aspect needs to be noted here that the central government was prompt enough to release the funds meant for the supply of TLE to the state of Karnataka. **But a look at the table below gives a different picture with regard to the sanctioning of the amount received by Karnataka for the supply of TLE to the schools is not in accordance with the release made by the government of India.**

Table-6

TLE amount released and Sanctioned by State Government of Karnataka

(Rs in Lakhs)

Year	TLE amount Released to the State	TLE amount Sanctioned by State Government
1987-88	132.42	132.42
1988-89	382.91	491.75
1989-90	392.98	284.14
1990-91	0.00	-
1991-92	570.00	562.21
1992-93	0.00	-
1993-94	865.80	-
1994-95	3714.00	28.30
1995-96	0.00	789.00
1996-97	0.00	3174.00
1997-98	3282.00	3282.00
1998-99	479.20	-
Total	9819.31	8743.82

Source: Department of Education Government of Karnataka

It can be noted from the table above that only for two years out of 6 years the state sanctioned whatever it had received from the central government. Interestingly the sanction was higher than the receipt for the year 1988-89(128%). But at the same time state government did not sanction any funds during 1993-94 and it was as low as 0.76 per cent for 1994-95 and 72 per cent for the year 1989-90 and 98 per cent in 1991-92. What could be the probable reasons for sanctioning lower amounts than received by the state needs to be examined further. The result of such a practice could be that the TLE amount sanctioned per school was less than the stipulated amount as stated under OB scheme and for few years the actual cost of TLE per school was again less than the sanctioned amount. According to the OB scheme each LPS was to be given TLE worth Rs. 7215, which is not so with regard to the sanction as well as actual TLE cost per school in the state. This can be noted from the table below.

Table – 7

Years	TLE cost per school sanctioned	(Rs.In thousand) TLE cost per school (Actual)	utilized Amount (%)
1987-88	5.30	5.30	
1988-89	6.40	6.40	
1989-90	7.00	7.00	
1991-92	7.10	7.00	0.04
1994-95	10.00	8.40	0.15
1994-95	50.00	46.70	0.06

1994-95	40.00	34.40	13.00
1998-99	40.00	19.30	0.51
1999-2000	39.90	-	

Source: Department of Education Government of Karnataka

Even in the extend phases also we can note that the OB stipulation was Rs. 50,000 for the TLE set per school which is not maintained in the state of Karnataka. In this background it is interesting to note that from 1991-92 itself funds are not fully utilized for the supply of TLE. This begs the question as to whether the schools have really received TLE as prescribed by the OB scheme. If the answer is no, then it implies that a crucial component is seriously missing which may hinder the achievement of objectives set for the scheme.

As part of the OB school survey which was spread over two districts and four blocks, the availability of TLE materials across the schools was not satisfactory.

Table-8

Supply of TLE in OB School in Karnataka

Table-8
Supply of TLE in OB School in Karnataka

State District Block	Karnataka					% out of sample of 40 Schools
	Gulbarga Afzalpur	Gulbarga Chincholi	Tumkur Pavagada	Tumkur Kunigal	Total	
Information about OB Scheme						
Know TLE Material supply under OB	10	0	10	10	30	75%
Storage Facility	0	0	10	6	16	40%
Satisfied with content of TLE	7	10	9	8	34	85%
Procurement & Delivery procedure	10	10	10	8	38	95%
Availability of TLE/Material						
Teaching Guide: Science	10	10	10	10	40	100%
Teaching Guide: Maths	10	10	10	10	40	100%
Teaching Guide: Social Studies	10	10	10	10	40	100%
Maps: District	7	9	10	10	36	90%
Maps: State	6	8	10	10	34	85%
Maps: Nation	7	8	10	10	35	88%
Maps: World	6	7	10	8	31	78%
Charts	4	9	10	10	33	83%
Sports Equipments	5	10	9	10	34	85%
Library Books	9	10	10	10	39	98%
Mini Tool Kits	5	4	10	10	29	73%
Primary Science Kit	5	4	10	10	29	73%
Mathematics Kit	5	4	10	10	29	73%

Source: CMDR Survey

Thus the sanction and release of money for TLE needs to be fine-tuned now for not only supplying the requisite materials but in getting closer to the objectives of the scheme.

The items are bought both at state and district levels. At the state level 80% of the books for the libraries are bought and other items of TLE are procured at the district level. Too many vendors and procedure for procurement are affecting the timely supply of TLE/books to the schools as well as fuller utilization of resources meant for TLE/books. **To overcome such problems state level officers in charge of OB suggested that funds must be directly released to the school Headmaster for speedy and effective supply of TLE to the schools.**

A suggestion was also made to organize science equipments exhibition cum sale inviting reputed firms. Teachers should be invited to participate in such exhibitions, and they may be allowed to buy directly from the suppliers with the suggestions of the technical wing of the education department.

Utilisation of Funds for Appointment of Teachers

The physical target of appointing teachers has been achieved to the extent of 98.2%. In other words 37121 teachers posts were sanctioned from 1987-88 to 1999-2000 and 36467 teachers have already been appointed. The total amount released of Rs. 13638.83 from 1987-88 to 1998-99 all the money has been fully utilized. It is important to note here that the direct employment generating component is obviously fully achieved in to the state.

The percentage of women teachers is also picking up both for lower and higher primary schools. The following tables would give the total number of teachers posts sanctioned and filled and also the percentage of female teachers both at lower and higher primary levels.

Table 9

Recruitment of Teachers:

Phases	Year	Post sanctioned	Post filled	
I	1987-88	1611	1611	
II	1988-89	5003	5003	
III	1989-90	2712	2712	2nd Teacher to LPS
IV	1991-92	4597	4597	
V	1994-95	427	427	
VI	1994-95	2769	2769	3rd Teacher to LPS
Extn I	1994-95	1578	1578	
Extn II	1994-95	7935	7935	Additional Teacher to HPS
Extn III	1998-99	8205	8205	
Extn IV*	1999-2000	1086	1086	3rd Teacher in U.P. Schools
		1198	1198	Addl. Teachers in U.P.Schools
Total		4798	4798	U.P.School teachers

Source: Department of Education Govt of Karnataka

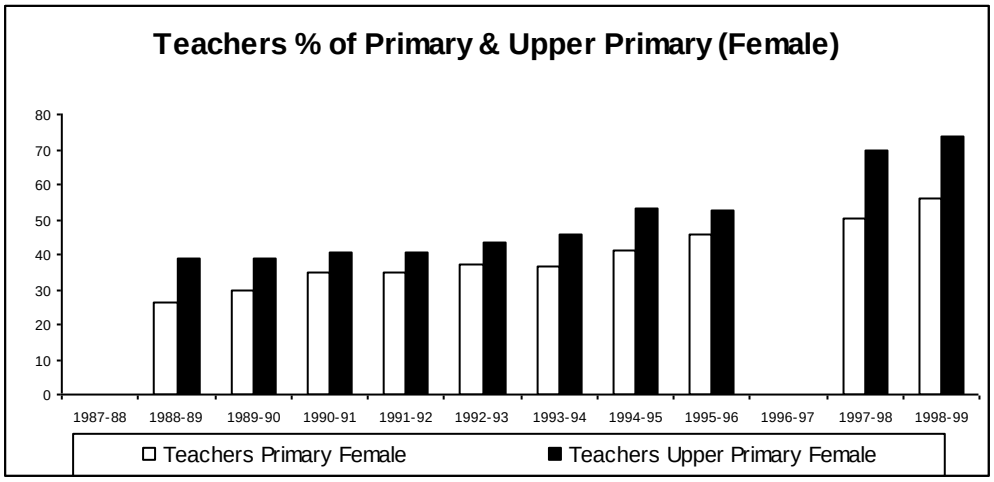
Table – 10

Teachers % of Primary & Upper Primary (Female)

Teachers

Years	Primary Female %	Upper Female %
1987-88	-	-
1988-89	26.22	38.83
1989-90	29.43	38.99
1990-91	34.82	40.68
1991-92	34.82	40.68
1992-93	36.92	43.65
1993-94	36.54	45.69
1994-95	41.00	53.05
1995-96	45.66	52.58
1996-97	-	-
1997-98	50.18	69.81
1998-99	56.25	73.86
1999-2000	391.85	-

Source: Department of Education Govt of Karnataka



As for as teachers are concerned, the District Level Recruitment Committee (DLRC) is managing the appointment for OB as well as other category teachers. The procedural delays as well as conflicts arising in the appointment of teachers outside OB as well as within OB have their impact on the recruitment of teachers under the OB scheme.

In addition to this, the schools face the shortage of teachers, because recruits do not report to the duties immediately. Transfers also have their contribution in the non-availability of teachers to the schools. Most of the teachers transferred spend their time in reversing the orders or getting their own place of choice. Officials felt that locally qualified people should be appointed to overcome such problems.

All teachers appointed under OB have been retained by the state and the officials said that the teachers, after five years of appointment, would be transferred to the state sector plan account for the next five years. Thus, their salary would be meted out of state sector plan outlays. This issue needs further probing in the light of the allocations made to the state by Finance commission as well as Planning commission.

District Level Scenario in Karnataka

Gulbarga District:

Gulbarga district is situated in the northern part of Karnataka state and the district headquarter is about 670 Km from the capital city of Bangalore. The population of the district is 25,82,169 of which 13,16,088 are male and 12,66,081 are female. Agriculture is the overriding occupation of the district. There are 10 blocks in the district. Number of primary schools in the district are 2096. Total literacy is 38.54 which is less than the state average. The male literacy is 52-08 (state 67.26) and female literacy is 24.49 (state 44.34). In the year 1999-2000 there were 1295 primary schools and 1199 upper primary schools in the district.

Out of the total primary schools in the district about 71% of the schools were covered and 20% of the upper primary schools were covered under the OB scheme. It should be noted here that only these many schools were identified for coverage. The coverage of schools was spread over all the blocks of the district.

It is interesting to note here that the percentage of enrolment has been declining over the years. For SC girls it was 22% in 1987-88 which got reduced to 18% in 1999-2000. The figures for boys was 21 and 18% for the respective years. On the contrary the enrolment of ST is steadily picking up as can be noted from below.

Table-11

% Enrolment of SC & ST

Years	ST Boys	ST Girls
1987-88	0.46 %	0.58 %
1999-2000	1.60 %	1.79 %

With regard to the recruitment of teachers in general we can note that percentage of female teachers is picking up at primary stage as well as upper primary stage. At the primary level percentage of female teachers rose from 18% in 87-88 to 32% in 99-2000. For the upper primary stage the respective figures were 28% and 38%. Though the female teachers are increasing it should be noted here that the fifty percent of female teacher mark is not achieved in

the district. Under the OB scheme a total of 17.29 teachers were appointed in the district out of which 42% were female teachers. The stipulation of OB scheme of appointing 50% of female teachers seems to have been ignored in this district.

The suggestion which was made to overcome such problems was to select locally available qualified candidates who may be appointed on apprentice basis, with a consolidated salary. There is no salary difference in the OB or non-OB teachers in the state.

The supply of TLE is made through tenders keeping in mind the quality of the material to be bought at lowest possible price. At present about 80 percent of the books are bought at the state level and are distributed to the schools through the Block Education Officer. With regard to the other components of TLE district officials expressed their displeasure, because of poor quality of materials supplied as well on some occasions, irrelevant materials were supplied. Even the time schedule of the supply of TLE is not in accordance with the academic calendar of the schools. For the past 4 to 5 years district is unable to utilize the funds meant for TLE to the fullest extent.

In the district of Gulbarga Afjalpur and Chincholi blocks were selected. Afjalpur has a population of 1,50,856 in an area of 1305 Sq Kms. Number of primary schools are 116 and its literacy is 87.62 (male 52.29 and female 22.09). chincholi block has a population of 1,89,161 in an area of 1569 Sq.Kms. Number of primary schools are 177 and literacy is 33.41 (Male 48.27 and female 18.283).

Physical Inputs to the Schools:

In the Afjalpur block the field survey experiences reveal that classrooms are not in good condition and ventilation is also very poor. In a village called Sonna, students were attending the class under the shade of a tree. In Madabal Tanda (Lambani Tanda) there was the only one room in the school and all the classes were held in the same room. Few of the schools did not have all weather approach roads, which made the students to keep away from schools during rainy season. In one more tanda of Ballurgi, the room constructed under the OB school was not used at all and when investigators asked the room to be opened, they could see only birds and lizards in

the room. All the schools surveyed did not have either drinking water facility or the toilet facility. Only few schools had the TLE materials but they were not used by the teachers.

In the Chincholi block, in a village Penchanpalli, the school was quite far away from the village and we had to walk for about 2 Kms to reach the school. The school in Polakpalli village did not have adequate TLE materials. In many of the schools visited, the strength was more in comparison to the availability of rooms. All the schools visited did not have water and toilet facilities. Rooms of schools were badly in need of major as well as minor repairs. In one school teachers themselves had made arrangements for drinking water by sharing the cost for the purpose.

Tumkur District:-

In contrast to the picture in Gulbarga district the picture was somewhat satisfactory in the district of Tumkur. In both pavagada and Kunigal blocks the school buildings were good and usable in all weather. The number of rooms required was still wanting in this part of the state also. Availability and use of TLE was also not very satisfactory. Again the problem of drinking water and toilet facilities especially for girls was not to be found.

In the district of Tumkur there are 10 blocks with 2157 primary schools and 1368 upper primary schools for the year 1999-2000. As regards the enrolment for the same year 0.10% of the girls and 11% of the boys belonged to the SC category and 4.5% of the girls and 5% of the boys belonged to the ST category, at the primary level. At the upper primary level 3.6 of girls and 4% of boys belonging to ST category were enrolled. Percentage of female teachers at the primary stage in 1992-93 was 27% which increased to 37% in 1999-2000.

Release and Utilisation of Funds:

The respective figures at the upper primary stage are 29% and 42%. If we look to the sanction, released and amount spent on OB scheme in the district, for some years the amount is not totally released and whatever released is not spent fully.

Table – 12

Amount Sanctioned and Released in OB schools-Karnataka

(Rs.Lakhs)

Years	Amount sanctioned (Rs. In lakhs)	Amount Released to the district (%)	Amount Spent by the district (%)
1995-96	554.0	89	88
1996-97	610.0	106	79
1997-98	310.0	128	95
1998-99	472.0	100	81
1999-2000	606.0	73	100

Source: DDPI office, Tumkur District

From the table we can note that for the year 1995-96 the amount released was only 89% of the total release, and out of the amount released only about 88% was actually spent. In the immediate next year 6% more was released that what was sanctioned but out of the total amount released only 79% was actually spent. Such distortions have occurred for the years 1997-98 to 1999-2000. This only points to the fact that districts are experiencing difficulties in utilising the money made available to them. Even the amount which is sanctioned to them is not fully reaching the district. This kind of unevenness in allocation, release and spending is likely to affect the provision of inputs under the OB scheme. In this district of Tumkur, two components of OB namely school rooms and TLE do not have any mismatch between release and actual expenditure made on these heads. If we look to the data on teachers recruitment, we notice that there is some deviation with regard to the amount released and spent, which is presented in the table below.

Table – 13

Amount Released and Spent for TLE in OB School-Karnataka (Rs. Lakhs)

Years	Amount Released for salary	Amount spent (%)
1995-96	498.98	88
1996-97	650.30	79
1997-98	397.54	95
1998-99	472.00	81
1999-2000	448.00	100

Source: DDPI office Tumkur District

We can note from the above table that except for the latest year, for all the preceding years for which the data is available, the amount spent is less than the amount released for teachers salary. In the background of such under utilization as regards the OB funds as a whole for the district and full utilization of funds for school rooms and TLE, it is only the teacher component which is affected in this district due to non-utilization of funds. The district level officials have opened that the procedures related to the appointment of teachers have been responsible for the under utilization of resources.

Following table gives the coverage of all three components of OB in the district of Tumkur.

Table –14

Amount sanctioned for Teachers

Teachers

Years	Sanctioned	Male	Female	Female %	Total
96-97	871	436	435	49.94	871
97-98	944	472	472	50.00	944
98-99	404	202	202	50.00	404
99-2000	100	50	50	50.00	100

Table –15

Amount Sanctioned for Rooms

Rooms

Years	Sanctioned	Constructed	Under construction
1993-94	530	530	
1994-95	94	94	
1995-96	270	270	
1996-97	450	450	
1997-98	292	292	93
1998-99	103	103	63

Table –16
Amount Sanctioned for TLE
TLE

Years	No. of Schools which required TLE	No. of Schools Which received
1987-88	132	132
88-89	480	480
89-90	268	268
90-91	877	877
94-95	10	10
95-96	944	944
98-99	424	424

Source: DDPI office Tumkur District

Concluding observations:

In sum, though the state of Karnataka has been implementing the scheme with a sense of sincerity at times it has experienced practical difficulties also. Some of the issues which were highlighted during our discussion with state and district level official need to be noted here.

Flow of Resources	1. Funds for the construction of rooms do not match the requirements, JRY funds are not earmarked for school room construction. Procedural delays release of resources postpones construction work. This leads to cost escalation for which no additional funds are provided.
Uncertainties of Funds	These factors lead to uncertainties about ATU i.e 1. Uncertainty about Amount 2. Uncertainty about Timing 3. Uncertainty about Utilization
Physical inputs Obtained out of the Scheme	Physical inputs to the schools are not in tune with the stipulations of OB scheme. Either one room is constructed where two are needed or the size of the room is reduced to accommodate according to the budget. Toilets are not at all constructed as part of the OB activity. Neither there is a separate room for head teacher nor the varandha.

	TLE material is not supplied either according to the needs of the school or even according to the stipulations of OB scheme.
Teachers opinion about the scheme	Majority of teachers who participated in our survey expressed dissatisfaction about the scheme of OB. Their views are summarized as below. • Quality and size wise schoolrooms are not satisfactory. • TLE materials are of very low quality • Teacher training is not provided under the scheme • But nonetheless some of the teachers also felt that children are attracted to the schools due to certain inputs like TLE material as well as a room where it did not exist earlier.

CHAPTER IV

Renewed Enthusiasm About OB

A Case Study of Madhya Pradesh

Introduction:

Madhya Pradesh (MP) is one of the states where Operation Blackboard (OB) Scheme is introduced right in the first phase. Being the largest state in the country, with low literacy rate and low net enrollment ratio on the one hand and high incidence of non-enrollment and drop out rate among girls and all children in rural areas, on the other, the scheme of OBB implemented in such a state, assumes a special significance. The state of M.P has one of the largest tribal population shares in the country, 23.3 percent. In this background, any scheme with a thrust on encouraging children to enroll themselves in elementary schools, to sustain within the schools till the completion of the stage, and to successfully complete the stage, would be very closely watched. The OB aiming at improving the school facilities and teaching facilities within the school should serve the purpose of attracting children to elementary education. Though the financial aspects are not the only precondition of success of any scheme, they do occupy a significant role in ensuring that the scheme does not fail. With this perspective, functioning of the CSS of OBB in M.P. is studied in the following paragraphs. The focus of the study is primarily on the financial aspects scheme.

The progress of financial management of OB Scheme in M.P in particular is studied as per the following plan:

1. **A brief account is presented in the beginning about the physical and financial progress of different component of OB in the state.**
2. **The Financial and Physical progress in two selected districts of the state is presented to facilitate a disaggregate analysis of the issues relating to the scheme.**
3. **in the third section, an attempt is made to critically evaluate the flow of resources under the scheme.**

Finally, certain general comments are made by way of concluding observations about the philosophy of OB Scheme particularly, in the context of the less developed state like M.P.

I. Progress of OB in Madhya Pradesh: A Study of Physical and Financial Management

I.A. Assessing the Needs:

The All India Educational survey initiated by NCERT provided the basis data for identifying the regions and the schools, which need to be strengthened with additional facilities as specified above. The Fifth All Indian Educational Survey provided the initial background information for the purpose. The Sixth Education Survey provides the latest information about the physical facilities in the school for the latest year of 1996.

1.B Funding and Utilisation of Resources:

The OB scheme which was introduced in the state in 1987 has so far assisted 19574 primary schools. The Government of India has released from 1987 to 1993-94 (i.e., till the completion of 4^{th} phase) Rs. 4495.93 lakhs. However, the Govt. of M.P has utilized Rs. 2729.11 lakhs only leaving unutilized amount of Rs. 1866.82 lakhs. This amount, unfortunately, lapsed back to Govt. of India. In the budget of 1999-2000 this amount also is included as a supplementary demand which has been luckily approved by the Govt. of India. In all the 4 phases, the Government of India has assisted the appointment of 19574 assistant teachers. The assistance from Govt. of India for this head has been fully utilized. As a part of the VIII Five Year Plan, a demand for Rs.60 crores was presented before the Govt. of India in 1999 for the appointment of 22163 third teachers (over and above the two teachers who were appointed under the scheme earlier). The Govt. of India approved Rs.40 crores against this head, but released Rs.20 crores. As a part of the IX Five Year Plan, 6445 upper primary schools are scheduled to be covered by OB Scheme. Of these, 2225 upper primary schools are located in tribal areas of the state. For the purpose of furniture and equipment, Rs.30 crores has been received by the state government in 1999-2000. Out of this amount, Rs. 8.90 crores are released by the department of education and the remaining amount i.e., Rs. 21.10 crores are proposed to be released from the budget of the Tribal Welfare Department. Thus, in the state of M.P. O.B Scheme is vigorously

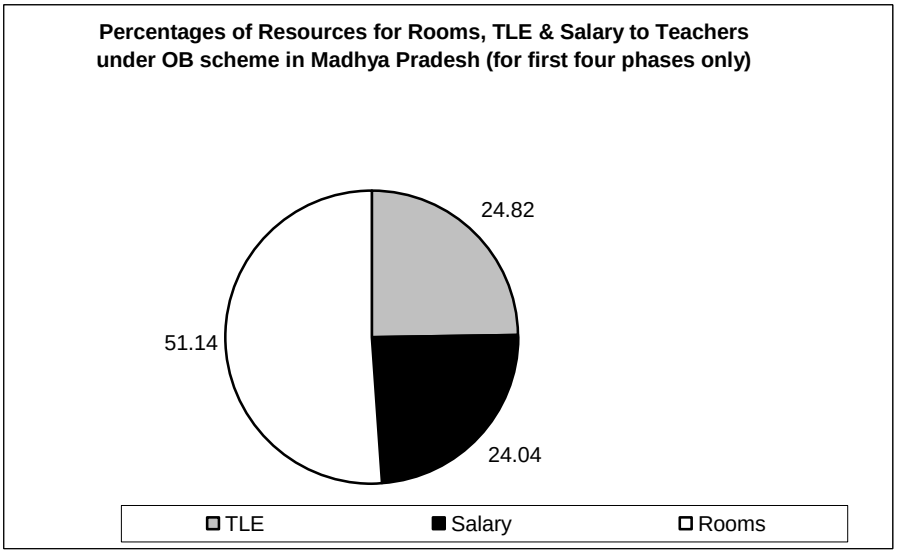
implemented being funded by the Govt. of India, though there was a brief period of slow progress of the scheme.

The three components of OB viz., Room construction, Teacher component and TLE have made a steady progress during the first three phases in particular. As stated earlier, for the reason of lapse of funds against this head, the scheme could not make much systematic progress. It is only in recent years that there is a further revival of the initiative for implementing the scheme under Govt. of India assistance.

Since the inception of the scheme from 1987 onwards the scheme is aiming at providing three components of the scheme namely rooms, teachers and TLE. 51.14 per cent was towards construction of school rooms, 24.82 per cent for the supply of TLE and 24.04 per cent was for the salary expenditure of additional teachers recruited during the first four phases.

Burden to the State:

In the initial First Four phases the state of M.P spent Rs.1397.89 lakhs on teachers salary, which is a continuing burden for the state exchequer. Out of the total expenditure on school rooms the state share worked out to be Rs. 1546.52 lakhs which can be considered as a burden to the state in the First Four phases of the scheme.



It should be pointed out that the M.P government has taken significant steps with regard to provision of elementary education facilities in the regular schools and also the EGS Schools. The institutional arrangement of **Rajiv Gandhi Shiksha Mission,** the Zilla Shiksha Mission, Janapada Shiksha Mission, Janashiksha Mission, the Village Education Committee, etc., have played a significant role in improving the facilities of primary and upper primary education in the state. The joint UN Schemes, the centrally sponsored schemes such as OB Scheme are expected to be integrated under a cohesive unit of Rajiv Gandhi Shiksha Mission. This possibly is a step in the right direction. The DPEP under the international initiative has surely helped the improvement in facilities at the elementary school level in the state. While some of the schemes like DPEP may continue to retain their identity as a model scheme with flexible financial management structures, the progress in respect of facilities in elementary education in the state might be better realized, if the financial flows, decision making about coverage of the schools under various schemes like OB, etc., are handled by a 'single window system' rather than through the functioning of different agencies as at present.

The following tables present a bird's eye view of the physical and financial progress of the OB Scheme in respect of its different components.

Table-1

Room Construction

Physical and Financial Progress of the Component of Class Room Construction in OB in Madhya Pradesh

Phase	Schools to be covered	Room construction to be taken up	Construction completed	Construction in progress	Amount sanctioned (Rs. in lakhs)	Amount spent (Utilization %) (Rs. In lakhs)	Unutilized amount (Rs. In lakhs)
Phase I	13926	4007	1709	1040	2345.00	1180.8 (50.35)	1164.20 (49.65)
Phase II	19086	7791	1701	1145	6275.94	1793.28 (28.57)	4482.66 (49.65)
Phase III	15818	6156	0	0	6170.95	0 (0.00)	6170.95 (100.00)
Phase IV	0	0	0	0	0	0 (0.00)	0.00 (0.00)
All Phases	48830	17954	3410	2185	14790.99	2914.08 (19.70)	11876.91 (80.30)

Source: MHRD Govt. of India

Table-2 (Rs. Lakhs)

Phase	Estimated cost	Actual Cost
I-3789	10.58	0.69
II-2846	0.8	1.02

Department of Education Govt of Madhya Pradesh

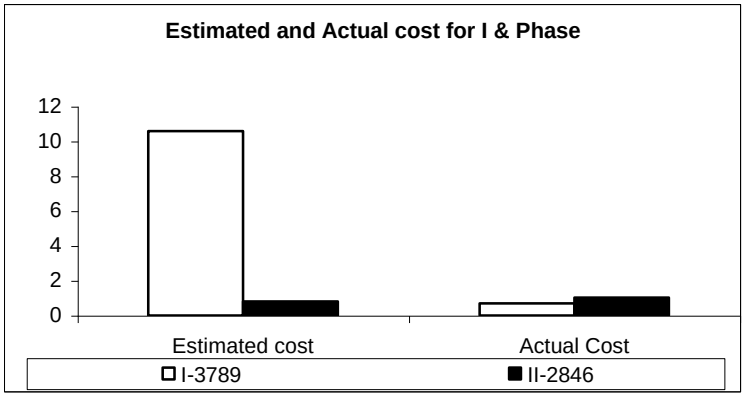


Table 3. Teacher Component

Physical and Financial Progress of the Teacher Component in OB Madhya Pradesh

Phase	Total Schools to be covered	Schools covered in the phase	No. of teachers sanctioned	No. of teachers appointed (% in brackets)	Amount released for (Rs. In lakhs) (Utilisation %)	Amount utilized (Rs. In lakhs) ((Utilisation %)	Unutilised amount (Rs. In lakhs)
Phase I	65417	13926	3897	3897 (F) (29.50)	1131.91	1131.91 (100.00)	0.00 (0.00)
Phase II		19086	6377	0.00	331.6	211.35 (63.73)	120.25 (36.26)
Phase III		15818	4977	0.00	149.31	0.00 (0.00)	149.31 (100.00)
Phase IV		0.00	0.00	0.00	54.63	54.63 (100.00)	0.00 (0.00)
All Phases		48830 (-74.95%)	15251	3897 (29.50) (25.55)	1667.45 4491.62 (1987-99)	1397.89 4491.62 (1987-99)	269.56 (83.83)

Source: MHRD, Govt of India

Table-4

Teaching Learning Equipment (TLE)

Physical and Financial Progress of Teaching Learning Material (TLE) in OB in Madhya Pradesh

Phase	Schools to be covered	No. of TLE Material	Amount Sanctioned (Rs. In lakhs)	Amount Spent (Utilisation %) (Rs. In lakhs)	Utilized amount (Rs. In lakhs)
Phase I	13926	13926	906.13	546.29 (60.29)	359.84 (39.71)
Phase II	19086		1458.19	896.91 (61.50)	561.28 (38.50)
Phase III	15818		543	0 (0.00)	543.00 (100.00)
Phase IV	0		-	-	-
All Phases	48830		-	-	-

From the above tables it is clear that the **non-utilization of funds** during all the phases of OB Scheme varies between 80 percent to 100 percent. Interestingly, against TLE, the non-utilization was minimum in the early period of the scheme. It increased significantly in the third phase. This seems to be the trend in the case of all other components also. With regard to teacher component, normally, percentage of non-utilization is expected to be zero. Unfortunately, even here the funds are not fully utilized, possibly on account of the ban that the state government imposed on all recruitments including the recruitment of teachers.

Source: MHRD. Govt. of India

From the above tables it is clear that the **non-utilization of funds** during all the phases of OB Scheme varies between 80 percent to 100 percent. Interestingly, against TLE, the non-utilization was minimum in the early period of the scheme. It increased significantly in the third phase. This seems to be the trend in the case of all other components also. With regard to teacher component, normally, percentage of non-utilization is expected to be zero. Unfortunately, even here the funds are not fully utilized, possibly on account of the ban that the state government imposed on all recruitments including the recruitment of teachers.

II. Physical and Financial Progress of OB Scheme in Selected Districts of M.P.

The above brief analysis suggests that while the funds are flowing into the scheme, the extent of utilization of these funds is poor causing uneven physical progress of the scheme itself. That this is so is evident from a disaggregate analysis of the financial flows and physical progress at the level of districts in the state. We have some data about the position in two selected districts viz., Bastar and Gwalior. The details of physical and financial progress are presented in the following two tables:

Progress in Selected Districts: Bastar

From 1987 to 1990-91 the following number of blocks and primary schools were covered under OB.

Table-5

Primary Schools covered under OB in MP

Year	Blocks Covered	Schools Covered	% Coverage	No. of Teachers under OB
1987-88	4	312	100%	11
1988-89	7	603	100%	74
1989-90	5	452	100%	43
1990-91	4	485	100%	-

Department of Education Govt of Madhya Pradesh

Table-6

Gwalior

Physical and Financial Progress of OB in Gwalior											
Year	Blocks	Block Covered %	Primary Schools	Upper Primary Schools	Primary Schools covered (%)	Upper Primary Schools covered	OB Teachers		GOI Assistance for OB		
							Primary	Upper Primary	Amount Received	Amout Spent	Utilisation %
1987-88	5	100%	1034	211	100%	-	-	-	-	-	-
1988-89	5	100%	1036	212	100%	-	-	-	-	-	-
1989-90	5	100%	1039	217	100%	-	-	-	-	-	-
1990-91	5	100%	1095	231	100%	-	-	-	275508	275508	100.00
1991-92	5	100%	1120	231	100%	-	-	-	42563	42563	100.00
1992-93	5	-	1136	234	-	-	-	-	-	-	-
1993-94	5	-	1136	240	-	-	-	-	243630	155651	63.89
1994-95	5	-	1136	243	-	-	-	-	-	-	-
1995-96	5	-	1136	243	-	-	-	-	-	-	-
1996-97	5	-	1145	240	-	-	2394	3378	328338	294743	89.77
1997-98	5	-	1529	240	-	-	2394	3378	-	-	-
1998-99	5	-	1538	255	-	-	2394	3378	-	-	-
1999-2000	5	-	-	-	-	-	2394	3378	-	-	-

Source: Education office District of Gwalior

III. Critical Evaluation of Flow of Resources:

The financial flows for the centrally sponsored schemes take place under the plan and non-plan heads. The OB is a centrally sponsored scheme, the funds for which are by and large made available by the Govt. of India under plan assistance. The component of the scheme, which fall outside the plan will be included by the state government either under their own plan or under the non plan head. The components included by the state government under their own plan are likely to be assisted under the overall plan assistance. This means that these components of the scheme continue to be under plan even though they are outside the plan of Govt. of India. Those components, which are included by the state government under non-plan, would be part of their forecasts of non-plan requirements as presented before the **quinquennial Finance Commissions.** Thus, the salary of teachers who were part of the previous plan would now become a part of non-plan head of the state government. So this expenditure would be included by the state governments under their forecasts of non-plan funds requirements. We find from the report of the 10th Finance Commission that special grants are made under the head **Grants for upgradation and special problems.** Under upgradation grant, primary schools, upper primary schools and girls education are included. For the states under study, the following amounts of grants under upgradation are approved by the 10th Finance Commission.

Table- 7

Upgradation Grant for Elementary and Girls Education by the 10th Finance Commission (1995-2000) (Rs. In lakhs)

States	Primary Schools	Upper Primary Schools	Girls Education	Total upgradation grant
Goa	59.30	8.00	0.00	378.99
%	**15.65**	**2.11**	**0.00**	**100.00**
Karnataka	0.00	0.00	0.00	0.00
%	**0.00**	**0.00**	**0.00**	**0.00**
Madhya Pradesh	7003.02	1237.60	2450.00	14637.46
%	**47.84**	**8.46**	**16.74**	**100.00**
Punjab	186.99	68.90	150.00	8130.91
%	**2.30**	**0.85**	**1.84**	**100.00**
Rajasthan	2284.34	436.70	2300.00	7987.33
%	**28.60**	**5.47**	**28.80**	**100.00**
Tamil Nadu	695.53	248.40	150.00	4084.57
%	**17.03**	**6.08**	**3.67**	**100.00**
West Bangal	3149.63	198.20	400.00	11416.63
%	**27.59**	**1.74**	**3.50**	**100.00**

Source: Report of Tenth Finance Commission

Thus, some states have been able mobilize up to 48 percent of these special grants for the purpose of elementary education. It may also mean that the items of teachers' salaries and maintenance of the school buildings have entered the non-plan account. It should be observed however, that though substantial sums are approved by the Finance Commission there is no method of monitoring whether this amount is actually spent on the upgradation purposes relating to elementary education, for the Finance Commission is a temporary body and there is no system for keeping a track of the expenditures made by the state governments on the schemes for which the grants are made. **The subsidiary Points** which are submitted by the state governments before the Finance Commission and the detailed worksheets of the Finance Commission secretariat on these subsidiary points are not accessible to the researchers. These documents could have given further insights about with what efficiency the states presented their demands and with what realism the Finance Commission developed its own forecasts. In a federal framework an element of mutual trust is very much necessary in order to ensure proper functioning of financial aspects of the schemes in the federating units. From the discussions with the officials, it was partly clear that the funds are not fully utilized for the purpose for which they were sanctioned and released. Such diversions of funds which are noticed in all states including M.P might act as deterrents of proper functioning of OBB.

Flow of Physical Inputs out of the OB Scheme:

That such diversions do take place with regard to even the sanctioned amounts under the plan head have come to our notice in the course of discussion with the officials of the education department of some of the state governments. The diversions have been noticed under the following heads:

a. **Classroom construction grants under Finance Commission are 'temporarily' diverted to non-educational head.** For example, in the case of M.P in 1990 April, an order has been passed for diverting funds of Rs. 1980000 for 22 schools at the rate of Rs. 10000 per school, meant for class room construction to promotion of rural technology. Similarly, in November 1989, an order was passed for transfer of Rs. 1530000 from out of the award of the Finance Commission for classroom construction in 17 primary schools to Rural Technology Development (Grameena Abhiyantriki Seva Vibhag). Since primary education is a soft sector, such diversions remain un-noticed.

b. States normally do not observe the physical specifications of classroom construction and even though the number of classrooms constructed tallies with number sanctioned, the **specifications adopted by the states are far from approved specifications.** This may be partly due to the **cost escalations** and partly also due to the compulsions of other sectors to which the funds have to be diverted under political and other pressures. This is more easily facilitated because the funds for room construction are not under the control of the education department. They come from the Rural Development Department (under JRY), which has its own priorities. **Unless, there is a special stipulation that a percentage of JRY funds have to be necessarily earmarked for OB, the scheme of rooms construction may not be successfully implemented.** It is for this reason that in M.P about 32 percent of the sanctioned rooms only could be constructed. **Also, on account of the mid term diversions of funds only 19 percent of the sanctioned funds could be utilized on this head during all the four phases of OB in the state.**

c. Study of School Buildings: Reflections from school survey. As a corollary to our analysis of financial and physical progress of the scheme of OB in the state, an attempt was made to get a first hand feel of the status of school buildings in Baskar and Gwalior districts of the state. Following table gives the glimpses of school buildings which were surveyed by us.

Table-8
School Survey Results of OB Schools in MP

State District Block	Bastar Bastaner	Bastar Sukma	Gwalior Bhitarwar	Gwalior Morar	Total	% out of sample of 40 Schools
Separate Room for H-Teacher	3	2	3	6	14	35%
Separate Toilet for Girls	0	0	0	2	2	5%
Separate Toilet for Boys	0	0	0	1	1	3%
Common Toilet	0	0	0	3	3	8%
Drinking Water Facility	2	5	6	2	15	38%
Electricity	0	0	0	2	2	5%

Source: CMDR Survey

From the table we can note that separate toilets were found in only 5% of the schools and just 3% of them had separate toilets for boys. Even common toilet was present in only about 8% of the schools. Our investigators have reported that even though the toilets are there in existence most of them are not usable. Drinking water facility was

found in only 38% of the schools and even the flow of water in such facility was a rare event according to our observation. Thus in a way the table is likely to reflect the aspects of financial management of school buildings under the OB scheme.

d. **The diversion or deviation from the approved plan would also take place on account of states' own general economy measures.** For example, a ban on recruitment, which is imposed in almost all the states under study, has prevented the schools from getting adequate number of teachers under OB scheme. This has also given rise to forces from within the scheme to defeat its very purpose. The **economy measures** thus have had heavy incidence of burden on elementary education. Some such incidents have been brought to our notice in some states. For example, in M.P the conflict between recruitment order and order banning recruitment have been taken to the court of law, the case having gone even up to the Supreme Court.

e. The teachers who are recruited need to be suitable trained from time to time to handle the TLE for the purpose of making education interesting and joyful for children so that they are attracted to schools and retained till they complete elementary education. However, since teachers are not trained they feel diffident to handle TLE and hence, from our discussions we learn that the suitcase containing the TLE is permanently kept under lock and the teachers do not take the initiative to use it. They are also concerned about the risk of wrong use and hence, damage to TLE for which they may be held responsible. This has really caused the **financial loss** in the ultimate analysis of the effectiveness of the scheme.

Most often, TLE, which needs to be procured on placing indent in the open market is not of requisite quality. There is also a possibility of such substandard TLE material being used in the schools, which might create an element of frustration for the teachers and discouragement for children in their learning process. In view of this, we have noticed in some state that the TLE indents have been cancelled. **The funds which are already earmarked under the Govt. of India, OB scheme, for TLE, might be under the custody of the state governments, but may not be utilized for TLE only for the reasons mentioned above.** As a result, such funds may

also get diverted to other activities which are politically more compelling than improvement of facilities at the elementary educational level. Our survey of schools probably reflects these things in the form of availability of TLE materials and the issues related to it as shown below.

Table –9

School Survey Results of OB schools- Madhya Pradesh

State	**Madhya Pradesh**					% out of sample of 40 Schools
District	Bastar	Bastar	Gwalior	Gwalior	Total	
Block	Bastaner	Sukma	Bhitarwar	Morar		
Information about OB Scheme						
Know TLE Material supply under OB	7	10	10	4	31	78%
Storage Facility	0	5	3	0	8	20%
Satisfied with content of TLE	8	4	5	2	19	48%
Procurement & Delivery procedure	6	3	2	1	12	30%
Availability of TLE/Material						
Teaching Guide: Science	4	6	6	4	20	50%
Teaching Guide: Maths	4	6	6	4	20	50%
Teaching Guide: Social Studies	4	6	6	4	20	50%
Maps: District	6	8	4	5	23	58%
Maps: State	6	9	9	5	29	73%
Maps: Nation	6	9	9	5	29	73%
Maps: World	6	8	9	4	27	68%
Charts	7	9	9	5	30	75%
Sports Equipments	10	9	9	5	33	83%
Library Books	6	9	9	5	29	73%
Mini Tool Kits	9	9	8	4	30	75%
Primary Science Kit	6	10	8	4	28	70%
Mathematics Kit	9	10	8	4	31	78%

Source: CMDR Survey

Though 78% schools were aware of supply of TLE under OB, only 20% had the facility to store them. About 48% of the teachers were not happy with the content of TLE and same was the case for the procedure adopted for procurement and delivery of TLE. The supply of Teaching guides was found only 50% of the schools Maps position was an higher side which varied between 68% to 73%. Library books and Tool Kits were found in about 70 to 75% of the schools. Thus lot more ground to need to be covered to with regard to supply of essential facilities to the schools in the state.

Concluding Observations

The main question relating to financial management of OB is not so much about the amount sanctioned and amount remaining unutilized. The question is whether the state sector alone can handle all the problems of elementary educational facilities and provide adequate financial support on a continuing basis for a long period of time. It is also important to consider

whether the physical facilities have any logical linkage with enrollment propensity, attendance propensity, probability of retention and promotion in elementary education. From some of the statistical studies attempted by us in this connection, we have reached a conclusion that the linkage between the two is not strong enough to justify the philosophy behind the OB scheme. It should however be added that while minimum amount of facilities at the elementary school level is important, the more crucial variables determining the enrollment and the retention propensities are not so much the facilities and financial flows to ensure the facilities but the commitment of the system including the teachers, head teacher, school administration, parents and the general environment of a learning society. In the case of M.P the statistical studies conducted by us have shown that these variables are the major determinants of enrollment related and performance related variables.

Though with regard to the financial flows for the scheme and their utilization the state of M.P has had a mixed experience there appears renewed enthusiasm about the scheme and its effectiveness in the state. Restructuring of school administration in the state and empowering a single cohesive unit of Rajiv Gandhi Shiksha Mission for the purpose of school education, innovative schemes like education guarantee scheme, etc, have given new hopes about the effectiveness of OBB in M.P in coming years. Somewhat flexible approach is being adopted by M.P government and Govt. of India with regard to the various norms of expenditures for teachers, rooms and TLE particularly with regard to EGS Centres in the state. The M.P study of financial management of OBB suggests that for effective functioning of any scheme, such a flexible approach with regard to financial allocations and management is necessary

OB Shadow State

A Case Study of Punjab

The scheme of OB was launched in the state during the year 1987-88 to provide all the three components to the primary schools.

If we look to the various centrally sponsored schemes within education in the state of Punjab we would know the importance attached to the OB scheme within the state. In this state the average share of resources for the period 1992-93 to 1997-98 for OB scheme was to the extent of 19.8% of all the schemes in education. The scheme ranked second in the state. Teacher Education was at the top with about 27% of the resources. Other schemes to follow were Vocational Education (18%) Science Education (13%), and TLC/PLC with 10% of resources. Thus in general OB scheme seems to have received good attention in the state.

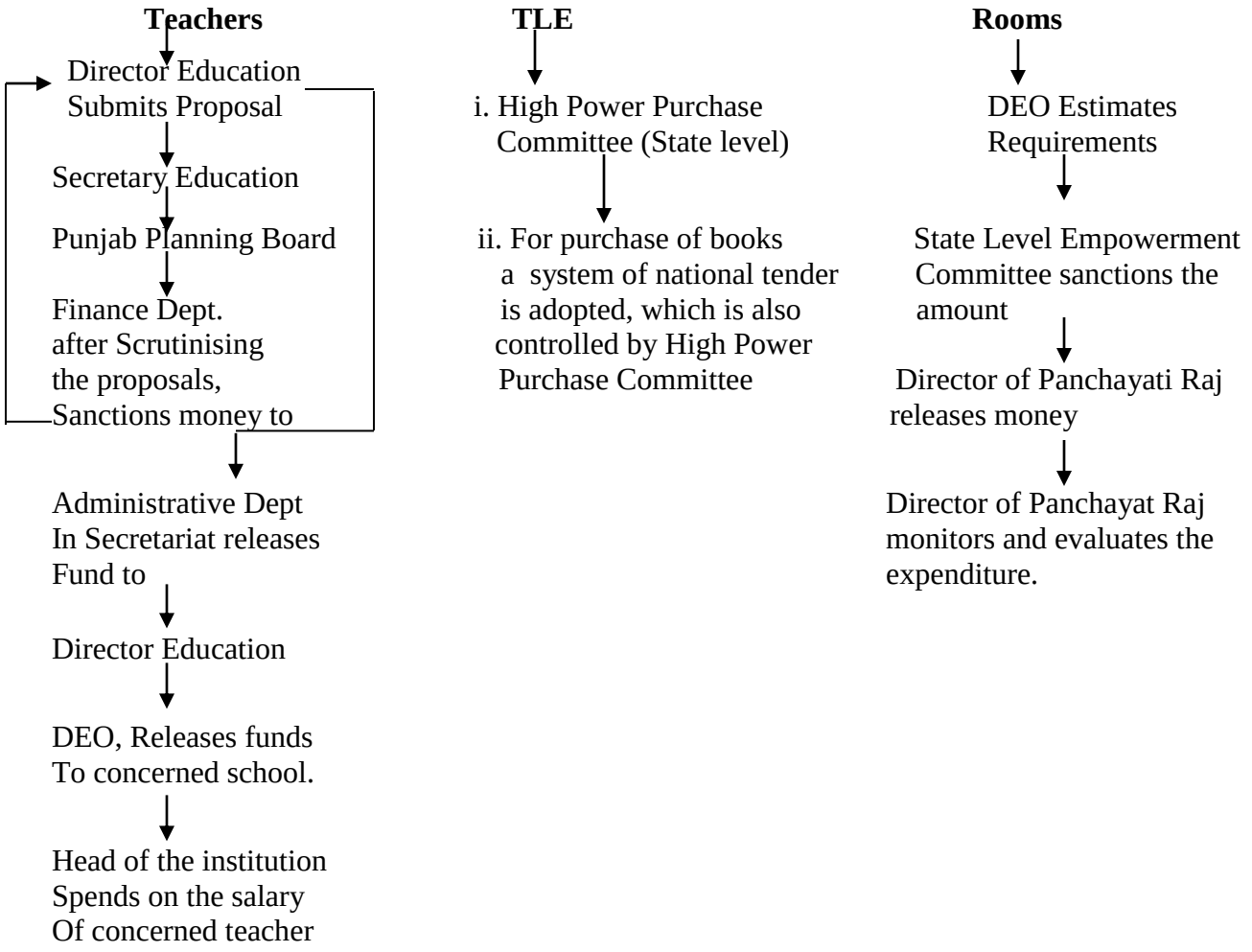
In comparison to this if we look to the assistance to the states/Uts under the OB scheme from the Centre for the period 1989-90 to 1997-98 we can note that on an average for the period as a whole Punjab received 1.24 per cent of the resources. This was less than the BIMARU states of Bihar (10%) M.P (4.9%) Rajasthan (10.5%) and U.P (5.5%). Allocation of such a small percentage share of resources needs to be examined in the background of V^{th} All India Educational Survey results in the state of Punjab.

Needs and Implementation:

In the year 1998-99 there were 7 districts and 1.38 blocks in the state with 12633 primary and 2527 upper primary schools. State level Empowerment Committee was formed in 1986-87 and the scheme got implemented from 1987-88 onwards.

The coverage of the scheme was almost complete with regard to primary schools by the end of 1993-94. Then the scheme was extended to the upper primary level also with the approval of Govt of India in 1994-95. But the actual implementation of this extended phase started from the year 1996-97.

Administrative setup for implementing OB:



Though the above setup seems to be similar with other states it is to be noted here that teacher appointments are done at state level where as in some states like Karnataka it is being done at the district level. Even the purchase of TLE material is at the state level which is not so as in other states. With regard to rooms the department of Panchayat is in charge and not the education department.

It is important to note here that, **no survey was conducted in the state to identify the school needs.** The practice which was followed in the state was that DEO based on the information furnished by the schools used to send the proposals to DPI for further approval. After the scheme of OB was launched in the state, the plan for the coverage of schools was as below.

Table – 1

Phase wise coverage of Schools under OB scheme

I Phase	20 %
II Phase	30 %
III Phase	50 %

Following table gives the coverage of the OB scheme in the state in different phases.

Table – 2

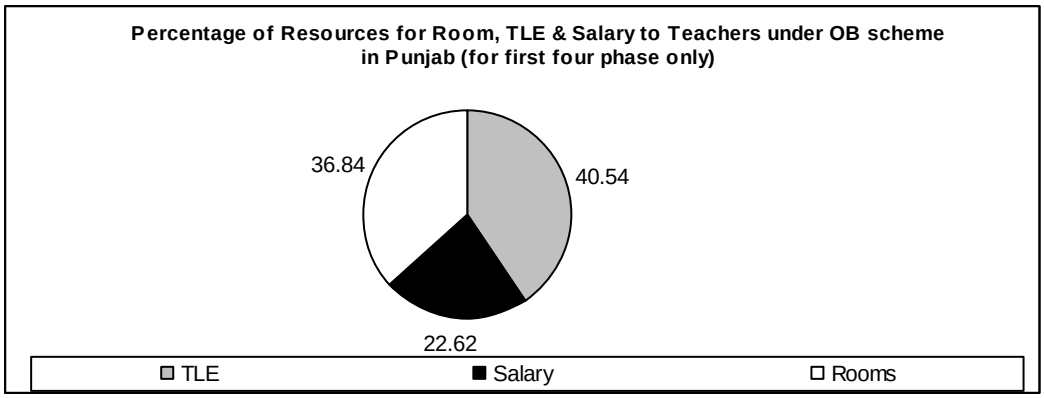
Phase wise coverage of schools under OB scheme Primary & Upper primary

Phase	Year of approved	Year of implementation	No. of Dists covered	No. of blocks covered	No. of schools covered	
					P	UP
I	1986-87	1987-88	-	-	4737	-
II	1988-89	1988-89	-	36	3873	-
III	1989-90	1992-93	-	45	4315	-
Extd.,	1993-94	1995-96	17	-		1687

P-Primary, UP-Upper Primary.

Source:- Dept. of Education, Govt. of Punjab.

It is note worthy from the above table that the year of approval and year of implementation are not one and the same. This only means that though the phase received the approval, actual receipt of the money was delayed and hence the implementation also got delayed. In the first three phases itself 100% of the primary schools were covered (figures do not total to hundred due to increase in the number of primary schools over the years). The extended phase which covered upper primary schools also witnessed a lag of one year in actual implementation. But it also covered all the schools which existed during that year.



Since the inception of the scheme from 1987 onwards the scheme is aiming at providing three components of the scheme namely rooms, teachers and TLE. 38.84 per cent was towards construction of schoolrooms, 40.54 per cent for the supply of TLE and 22.62 per cent was for the salary expenditure of additional teachers recruited during the first four phases. If look to the Burden to the state from initial four phases. We can note that the burden on account of salary component was Rs. 377.24 lakhs and states 52% share for room construction was Rs. 319.42 lakhs.

Funding and utilization of Resources for Construction of classrooms:

With regard to the construction of classrooms under OB, the state followed the norm that 48% of the funds be tapped from other centrally sponsored schemes and 52% by the states from its own resources. The state faced difficulty in mobilizing resources from other centrally sponsored schemes like JRY etc., because the funds were not earmarked. Under such schemes for the construction of school rooms under OB. The practice which was followed in the state was such that, if there was unspent money or savings in scheme like JRY, such funds were transferred to the state education department for the construction of school rooms. Such a practice has led to the shortage of funds for this component and school room construction has not progressed satisfactorily. Even in the case of certain amount of money which was transferred to the state education department, the state's share for that year was not coterminous with this; causing greater damage to the class room construction.

The year wise sanction and construction of rooms is presented below.

Table – 3

Rooms Required and Sanctioned in Punjab

Years	Rooms Required	Rooms Sanctioned	Rooms Constructed	Percentage Constructed
1987-88	816	724	724	100
1988-89	864	733	633	86
1989-90	709	709	546	77

Source: Dept of Education, Govt. of Punjab

It should be noted here that even after our consistent efforts to collect the data for the subsequent years about schoolrooms the relevant information was not made available to us by the state level officials.

We can note from the above table that only 88% of the rooms were sanctioned out of the total required for the year 1987-88, and for the next year i.e. 1988-89 the percentage of rooms sanctioned was 84%. This deviation certainly speaks about the system of financial flows which are made available to the construction of school rooms. Again, out of the total sanctioned, the rooms actually constructed were quite less than the sanctioned. For the year 1988-89 only 86 percent of the rooms sanctioned were constructed and for the year 1989-90 about 77 percent of the rooms sanctioned were constructed. State officials have opined that the cost escalation every year is not duly recognized in the allocation of funds which has resulted in scaling down of room construction in the state. Following issues need to be taken note of while understanding the shortages in the construction of schoolrooms.

- JRY funds are not earmarked for the schoolroom construction under OB in the state.
- Procedural delays which cannot cope up with cost escalation, are proving to be major hindrances.
- Whatever savings/ balance amount that remains under JRY is transferred to the District Planning Boards, which creates uncertainty of funds for school room construction.
- District Planning Board gives money to Sarpanch of the village.
- Sarpanch assigns construction work to MARKFED or PWD.
- Such procedures keep away the education department out of the activities of schoolroom construction.

It is very interesting to note in Punjab that the state government is trying to tap resources from NABARD for the construction of schoolrooms. The state level officials told us that proposals have been already submitted in this regard and they are waiting for the response from bank.

From the following table we can know the rooms required and amount allocated and spent and the total amount required to complete the balance of room construction in the state.

Table – 4

Rooms required and Amount allocated and spent in Punjab

(Rs. Lakhs)

Years	**Rooms Required**	**Rooms Completed**	**Amount Allocated**	**Amount Spent**	**Amount Required to complete uncovered Buildings**
1987-88	Single Rooms 204	134	2.58	170	156
	Double Rooms 622	70			
1988-89	Single Rooms 290	214	3.58	262	190
	Double Rooms 574	139			
1988-89	Single Rooms 131	35	100	-	108
	Double Rooms				
				Total	459

Source: Dept of Education, Govt of Punjab
Note: A total of 137 rooms were shifted to Border Area schemes.

From the table we can note that there are 1293 rooms to be constructed of which 203 are single rooms and 1090 are double rooms. The total amount required to construct these rooms is Rs. 454 lakhs which needs to be mobilized by the state.

On the whole, it seems that construction of classrooms is not very satisfactory in the state of Punjab, and this component of OB has not been able to receive good treatment under the scheme. Earmaking of funds under JRY for schoolroom construction, avoiding procedural delays to contain cost escalation would be the areas which need to be strengthened to achieve fuller utilization of funds under this component.

School Survey Scenario:

If one tries to lime up the above discussion with field realities, we may consider the following table which gives state of school buildings in the schools surveyed by us.

Table – 10

School Surveye Results of OB Schools- Punjab

State / **District** / **Block**	**Punjab**					% out of sample of 40 Schools
	Gurdaspur N.J.Singh	Gurdaspur Kalanaur	Faridkot Lambi	Faridkot Moga	Total	
Separate Room for H-Teacher	2	3	8	2	15	38%
Separate Toilet for Girls	0	0	2	7	9	23%
Separate Toilet for Boys	0	0	3	8	11	28%
Common Toilet	0	0	1	1	2	5%
Drinking Water Facility	10	5	7	9	31	78%
Electricity	0	1	8	10	19	48%

Source: CMDR Survey

It is important to note from the table above that though comparatively Punjab is better off than other states in absolute terms the picture is seems to be unsatisfactory.

Additional Teachers: Release and Utilisation of Resources

The procedure for the appointment of teachers is quite lengthy one and on an average it takes six months to one year to complete the formalities for the appointment of teachers. Recruitment committee consists of Director of Primary and Upper Primary education. Director Education and other subject experts. Appointment of teachers so made is to be cleared by the state Level Empowerment Committee for the release of the funds.

Table – 5

RELEASE AND UTILISATION OF FUNDS UNDER THE SCHEME OF OPERATION BLACKBOARD FOR TEACHERS SALARY.

(FROM 1987-88 TO 1998-99)

(Rs. In lakhs)

Year	SALARY			Total
	Released	Utilised	Unspent	Unspent
1987-88	27.40	27.40	0.00	0.00
1988-89	89.71	89.71	0.00	0.00
1989-90	104.08	104.08	0.00	0.00
1990-91	156.05	156.05	0.00	0.00
1991-92	202.43	202.43	0.00	0.00
1992-93	0.00	0.00	0.00	0.00
1993-94	0.00	0.00	0.00	0.00
1994-95	0.00	0.00	0.00	0.00
1995-96	0.00	0.00	0.00	0.00
1996-97	599.83	599.83	0.00	0.00
1997-98	199.95	199.95	0.00	0.28
1998-99	0.00	0.00	0.00	0.00
Total	1379.45	1379.45	0.00	0.28

Source: MHRD Govt of India

The total release for the teachers' salary was Rs. 1379.45 lakhs and the state has completely utilized the funds for this component of OB for the period 1987-88 to 1998-99.

Teachers appointed in different years in the state: Punjab

Table- 6

Years	No. of Teachers Sanctioned	No. of Teachers			Total Requirement Under Primary	Total Appointed Under Primary
		Male	Female	Total		
Primary						
1987-88	527	231	206	527	1457	871
1988-89	231	128	103	231		

Source: Dept of Education Govt of Punjab

Teachers appointed in different years in the state: Punjab

Table- 7

Years	No. of Teachers Sanctioned	No. of Teachers			Total Requirement Under Primary	Total Appointed Under Primary
		Male	Female	Total		
Upper Primary						
1989-90	224	-	-	113		
1998-99	1353	650	703	1353		

Source: Dept of Education Govt of Punjab

Need of Teachers:

From the above table we can note that though the estimated requirement of teachers for the primary level was 1457, the actual appointment of teachers was to the extent of 871 only i.e., about 59% of the total requirement. **Our discussions with the state level official revealed that, the state was hesitant to make more appointments because it would create greater liability for the state, once these appointed teachers get transferred to the non-plan account. In our federal structure the initiatives of the central government may turn out to be liabilities for the states in the ultimate analysis, which may hinder the provision of inputs stipulated under the scheme. Thus there is a greater need now to take care of the states liability and make provisions for them to meet such liabilities for a meaningful utilization of the resources. It is to be noted here that the Finance Commission which takes care of such liabilities of the state need to address itself while granting awards to the state governments. Lack of such provisions only mean that, though the state might have utilized the resources fully as released by the central government, the unmet need of this component under the scheme seems to have been ignored. In this context it is to be noted that 871 teachers were appointed in the VIII plan and the liability due to this was met from the awards of IX Finance Commission. Due to the states fear of greater liability, it seems that no teacher appointments were made during the VIII plan under the OB scheme, and we can only infer that the awards from the X Finance Commission were utilized to meet the liabilities created in the VII plan itself.**

In the background, it needs to be noted here that some schools in the state are working without adequate number of teachers because of the procedural delays in appointment, followed by transfers, delay in reporting by the recruits. To overcome this, the officials felt that there is a need to increase the number of interview panels, obviously for speedy recruitment. More speedy procedures for getting applications from the candidates and strict implementation of the eligibility criteria in appointing teachers.

Release and Utilisation of Funds for Teaching Learning Equipment:

As explained earlier, this component of the OB scheme is operated through the High Power Purchasing Committee (HPPC) at the state level. Following table gives money released and spent on TLE in the state for the period 1987-88 to 1998-99.

Table-8

Amount Released for TLE in Punjab

(Rs in Lakhs)

Years	TLE		
	Released	**Utilised**	**Unspent**
1987-88	306.71	306.71	0
1988-89	294.54	294.54	0
1989-90	11.61	11.61	0
1990-91	63.24	63.24	0
1991-92	339.24	339.24	0
1992-93	0	0	0
1993-94	0	0	0
1994-95	541.2	541.2	0
1995-96	0	0	0
1996-97	0	0	0
1997-98	133.6	133.32	0.28
1998-99	0	0	0
Total	1690.14	1689.86	0.28

Source: MHRD Govt of India

For the period 1988-89 to 1998-99 Rs. 1690.14 lakhs were released to the state and the state has spent the major portion with only 0.28 lakhs remaining unspent. For five years in this period there were no releases for the state under this component. Based on such allocations and schools covered if we workout the per school cost of TLE, the following table is developed based on the data given by the state education department. It also needs to be noted about the differences in the data as supplied by the MHRD govt. of India and state education department on the same component of OB scheme.

Table-9

Amount spent for TLE in Punjab

Years	Amount spent on TLE per school
(Primary)	
1987-88	6000
1988-89	7000
1989-90	7000
(Upper Primary)	
1998-99	40000

Source: Dept. of Education Govt. of Punjab

Though the state of Punjab attained 100 percent coverage of primary schools in respect of supply of TLE, the amount of TLE supplied per school did not match the stipulated amount under the scheme. From the above table we can note that for the primary level the upper limit was Rs. 7215 and the state spent les than that and for the upper primary level per school requirement was Rs. 50,000 and the state has spent only Rs. 40,000 per school. This only indicates that the state has not followed the OB scheme stipulation and the deviation has been maintained according to the states own convenience. There is no record in the state OB section as to whether the state has incurred expenditure on maintenance of TLE materials.

Physical Inputs to the Schools:

The state is not able to spend all the money released for TLE due to many procedural delays, state level officials felt that open ender system should be introduced to reduce the cost per set and also to improve the quality of the materials. Corruption needs to curtailed or effective supply of TLE materials, and short term contracts need to be given which need to be renewed only after a careful review. **A view about changing the content of TLE was also made in view of the glaring technological difference between government and public schools. This seems to be state specific suggestion, which needs to be considered in the background of the prevailing situation in the state.** In view of this if one look to our school survey results, they speak lot about the utilization pattern which prevails with regard to TLE.

Table – 10

School Survey Results of OB schools- Punjab

State	Punjab					% out of sample of 40 schools
District	Gurdaspur	Gurdaspur	Faridkot	Faridkot	Total	
Block	N.J.Singh	Kalanaur	Lambi	Moga		
Information about OB Scheme						
Know TLE Material supply under OB	10	7	8	7	32	80%
Storage Facility	0	0	3	3	6	15%
Satisfied with Content of TLE	8	4	3	2	17	43%
Procurement & Delivery procedure	4	7	3	4	18	45%
Availability of TLE /Material						
Teaching Guide: Science	0	1	3	1	5	13%

Teaching Guide: Maths	0	1	2	2	5	13%
Teaching Guide: Social Studies	0	0	0	2	2	5%
Maps: District	7	1	1	1	10	25%
Maps: State	9	5	1	2	17	43%
Maps: Nation	9	6	1	2	18	45%
Maps: World	9	4	0	2	15	38%
Charts	10	4	0	2	16	40%
Sports Equipments	10	8	6	8	32	80%
Library Books	10	4	4	2	20	50%
Mini Tool Kits	10	0	1	0	11	28%
Primary Science Kit	10	8	5	10	33	83%
Mathematics Kit	10	8	8	10	36	90%

Source: CMDR Survey

From the table we can note that most of the schools did not have storage facility for storing the TLE materials. Only about 40% of the teachers were satisfied by the content of TLE and system which is in practice for the procurement and delivery of TLE materials. Teaching guides, Maps of various types. Mini tool kits were in acute shortage in the surveyed schools. Thus great attention of the officials towards meeting out of the requirements under this component of the scheme assumes great importance.

Above table certainly speaks about the difficulties the states has faced with regard to the supply of TLE to the schools. A sincere effort in dealing with the issues discussed earlier would help us to overcome the bottlenecks and implement the scheme in more desired manner.

District Level Scenario in Punjab:

Gurdaspur District:

In the year 1998-99 there were 22 blocks with 1405 primary and 251 upper primary schools in the district. At the district level District Education Officer is in charge of implementing the scheme.

Component wise progress of the scheme is presented in the below mentioned table:

Table – 11

Amount Sanctioned and Spent for School Rooms- Punjab

Rooms **Rs.**

Years	Amount Sanctioned	Amount Spent	Rooms Sanctioned	Rooms Completed	Cost per Room
1987-88	340000	340000	17	17	20000
1988-89	340000	340000	17	17	20000
1989-90	840000	840000	42	42	20000
1990-91	4140000	4140000	207	207	20000
1991-92	1980000	1980000	99	99	20000

Source: District Education Office, Gurdaspur District

From the above table it is to be noted that the cost of constructing a room in Gurdaspur district is quite low in comparison to the district in the state (Faridkot) and it seems that all the money towards construction of rooms has been used fully as the cost has remained the same over the years. But in the recent years the cost has increased to about Rs. 1 lakh per room. **District officials now feel that they are not able to cope up with the construction targets in the present situation. It seems that allocation of funds for classroom constructions is not in accordance with changing costs over the period of time.**

Teacher appointment has maintained the ratio of female teachers. Our discussion with district officials could not lead us to know the reason for not recruiting teachers during 1992-93 though the allocated money was spent fully. It seems that money has been utilized to pay for the salary of teachers appointed earlier. **With regard to TLE component it is noteworthy here that the schools received TLE set worth Rs. 4468 and Rs. 4145 for the years 1987-88 and 1988-89. This only means that as we descend down to district the OB stipulation fades away and this component does not get a fair deal. As such schools are likely to experience the dearth of essential TLE materials. Even worse was the fact that for the year 1990-91 and 1992-93 only furniture was supplied under TLE component and that too at a trifle amount of Rs. 2005 and Rs. 822 for the respective years. This only means that whatever goals are set in national policy documents do not get reflected at the sub-regional level, and the issue needs further probing.**

As the OB scheme stipulates that its coverage should be more in areas dominated by SC/ST population, we tried to look at the percentage enrolment of these categories in the district over the period of time. In the background, our discussions with the district level officials have brought out the following issues in the financial management of the OB scheme.

Table – 12

Amount Allocated and Spent for Teachers- Punjab

Years	Amout allocated Rs.	Amount Spent Rs	Teachers Recruited			% of Female Teachers
			Male	Female	Total	
1987-88	8,73,000	8,73,000	57	58	115	50
1988-89	6,55,445	6,55,445	18	18	36	50
1992-93	5,88,114	5,88,114				

Source: District Education office, Gurdaspur District

Table – 13

Amount Allocated and Spent for TLE – Punjab

TLE Years	Amount Allocated	Amount Spent	No. of Schools which received TLE	Cost of TLE per School Rs.
1987-88	31,00,000	31,90,768	714	4468
1988-89	16,50,000	16,29,000	393	4145 Cost of furniture per school
1990-91	10,45,000	10,43,000	520 (Furniture only)	2005
1992-93	1,00,000	83,863	102 (Furniture only)	822

Source: District Education office, Gurdaspur District.

Table-14

Amount Allocated and Spent for TLE-Punjab

Years	Amount Allocated	Amount Spent	Rooms		Cost per room
			Sanctioned	Constructed	
1987-88	21,00,000	21,00,000	15	15	1,40,000
1988-89	12,96,000	12,96,000	18	18	72,000

Source: District Education office, Faridkot.

Table-15

Phase wise coverage of schools in Punjab

Phases	Schools identified for coverage		No. of schools actually covered		% of schools covered
	Primary	Upper Primary	Primary	Upper Primary	
I	189	-	189	-	14
II	171	-	171	-	22
III	373	-	373	-	49
Extd.I		36		36	

Source: District Education office, Faridkot

Our discussions with the district level officials have brought out the following issues in the financial management of the OB scheme.

- OB funds are released sometimes on annual basis half yearly basis and also monthly basis. This creates uncertainty for planning are activities and utilizing the funds.
- Issues involving in inter-departmental transfer of money is not helping the scheme for smoother implementation.
- Time gap between sanction and release and release and actual spending varies from 3 to 6 months.
- JRY funds are not earmarked for the construction of classrooms.
- Lake of commitment on the part of officials, procedural delays, lake of information with the official at different levels leads to under utilization of resources.
- The District is trying to construct schoolrooms by taking the help of community as well as banks.
- Procedure in the appointment of teachers is causing the delay in provision of teachers to the schools. Frequent transfer also add their contribution to this.

Faridkot District:

In the year 1984-85 there were 759 primary schools with123 upper primary schools in the district. The phase wise coverage of the scheme is presented in the table below.

Table – 14
Construction of School Rooms in Faridkot

Years	Rooms Required	Rooms Sanctioned	Rooms Constructed	
1987-88	816	724	724	
1988-89	864	733	633	86
1989-90	709	709	546	77

Source: District Education office, Faridkot.

In the three phases spread over the period 1987-88 to 1994 (third phase covers 1989-1999) about 95% of the primary schools were covered and in the extended phase for the year 1997-98 about 27 percent of the upper primary schools were covered.

Component wise Progress of the scheme:

As reported by the district level officials there seems to be some serious flow in the data. This seems to be real because data was obtained from official records. If we work out the cost per room it comes to Rs.1,40,000 in 1987-88 and Rs.72,000 in the next year. It needs to be noted here that during the same period construction cost per room at the state level was to the extent of Rs.20, 000 only. Such a wide variation of the costs within the state seems to be unconvincing. For this district funds for the construction of rooms were released only in the initial two years after the implementation of the scheme. Then onwards no money was released for this component. This probably reflects and concludes the stay behind significantly higher costs per room. Such unconvincing variation itself seems to explain the non-release of funds to the district. Only 44 teachers were appointed in the district under the OB scheme i.e., 8 teachers in the year

1987-88 and 36 teachers in the year 1997-98. All the money released has been fully utilized. Of the 44 teachers 39 are female teachers. The training component has received serious attention in this district, and the training though not part of the OB per se, is given on a regular basis.

Teaching Learning Equipment

The following table gives the expenditure incurred and schools covered in the district with regard to the TLE supply.

Table-15

Amount Released and Spent for TLE

Years	Amount released	Amount spent	Schools covered	Cost per schools
1987-88	1188285	1188285	189	6287
1988-89	3061477	3061477	171	5627
1992-93			373	5627

Source: District Education office, Faridkot

Note: Amount released in 1988-89 is applicable for the schools covered in 1992-93 also. A lag of three years was involved in utilizing the money.

The TLE cost per school as noted in the table above is not in tune with the specified amount as envisaged in the OB scheme. Even the delay in utilizing the money for three years cannot be justified because, it causes the delayed supply of inputs to the schools.

In this background our discussions with the district level officials were useful in knowing the practical difficulties associated with the scheme in this district.

- Funds are released sometimes on annual basis, half yearly basis and also monthly basis. This creates uncertainty for planning the activities and utilizing the funds.
- Time gap between sanction and release and release and utilization varies from 3 to 6 months.
- Lack of commitment on the part of officials, procedural delays, lack of information with the officials at different levels lead to under utilization of resources.
- Lack of inter departmental co-ordination creates confusion over the availability of resources.
- JRY funds are not earmarked for the construction of schoolrooms.
- Since the district officers are not involved in the appointment of teachers, there seems to be delay in the appointments.

On the whole it seems that OB has not received due attention from the officials in the state of Punjab. More inter to from the officials of other related departments also would be useful in implementing the scheme effectively with fuller utilization of resources.

CHAPTER-V

A Fountain of Hope

A Case Study of Rajasthan

Introduction

A distance from the level of minimum facilities determines the flow of resources-greater the distance larger the flow of resources. Two states-Goa and Rajasthan-present a picture in contrast. As against 355 schools identified for the construction of rooms in Goa, the number was as high as 7685 in Rajasthan, appointment of 167 teachers in Goa, Rajasthan appointed 13,699 teachers; and 966 schools identified for the supply of TLE in Goa, the number of schools so identified in Rajasthan was 27014. What a distance to be covered! Obviously Rajasthan's claim for higher share in financial resources should go uncontested. Goa accounted for a meager Rs. 275 lakh spent on teachers salaries and TLE during 1987-88 to 1996-97 whereas Rajashtan spent a phenomenal Rs. 20687 lakhs-70 times more-during the similar period. So, Rajasthan will be another interesting case study to examine the financial management of OBB.

Financial Provision under OB:

Releases for major centrally sponsored schemes for the period 1992-93 to 1997-98 show that the average share of around 34% of OBB in Rajasthan, exceeded that of Teacher Education, Vocational Education and District Primary Education Programme (DPEP). Their respective shares were 29%, 16% and 12%. These percentages & highlight the importance attached to the OBB scheme in Rajasthan (Table-1).

Table-1

DETAILS ABOUT MAJOR CENTRALLY SPOSORED SCHEME

Releases for major Centrally Sponsored Scheme

(Rs. Lakhs)

Name of Scheme	92-93	93-94	94-95	95-96	96-97	97-98	Total	Average Share%
Operation Black Board	16.06	0.00	36.73	0.00	43.12	39.02	134.92	22.49
Non-Formal Education	11.52	0.00	0.00	0.00	0.00	0.00	11.52	1.92

Teacher Education	33.10	30.74	11.59	25.77	35.65	38.65	175.51	29.25
Vocational Education	10.70	33.48	17.99	32.84	0.10	0.94	96.04	16.01
Science Education	0.00	21.90	9.30	6.99	5.00	0.00	43.19	7.20
Education Technology	0.38	0.00	0.00	0.00	0.00	0.00	0.38	0.06
Environment Education	1.18	0.00	1.00	0.00	0.00	0.00	2.18	0.36
I E D C	0.89	0.00	0.00	0.00	0.00	0.00	0.89	0.15
CLASS	0.00	10.56	5.56	8.28	6.37	0.00	30.77	5.13
Promotion of yoga	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R E L P	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JSN/PL & CE	3.15	0.00	0.00	0.00	0.00	12.77	15.92	2.65
S A S	3.40	0.00	0.00	0.00	0.00	0.00	3.40	0.57
Development Sanskrit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
National Scholarship	0.00	0.02	0.01	0.00	0.05	0.01	0.09	0.01
Sch. Talented Child	0.00	0.00	0.08	0.09	0.00	0.00	0.17	0.03
Upgradation of SC/ST	0.00	0.00	0.00	0.00	0.00	0.57	0.57	0.09
B A D P	0.13	0.00	0.00	0.00	0.00	0.00	0.13	0.02
TLC/PLC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DPEP	6.92	3.30	17.74	26.03	9.70	8.04	71.73	11.95
Lok jumbish	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Madrassa Education	12.57	0.00	0.00	0.00	0.00	0.00	12.57	2.10
Minorities Education	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	100.00	100.00	100.00	100.00	100.00	100.00	600.00	100.00

Source: Educational Profile.

Notwithstanding the erratic behavior both of amount received and spent under OBB in Rajasthan, their average annual growth rates during 1987-88 to 1996-97 of around 40% and 35% respectively are quite impressive (Table-2).

Table-2

Provision of Funds by Government of India for OB

Years	Amount received from Govt. of India during the year for OBB	Amount Spent during The year on OBB	SDP Deflator	Amount Received in Real terms	Amount Spent in Real terms
1987-88	1175.55	1175.55	1.72	683.46	683.46
1988-89	1123.68	1123.68	1.92	585.25	585.25
1989-90	1568.63	1568.63	2.18	719.56	719.56
1990-91	3456.83	3412.07	2.62	1319.40	1302.32
1991-92	2202.14	2202.14	2.96	743.97	743.97
1992-93	510.01	510.81	2.63	193.92	194.22
1993-94	1565.13	1084.63	2.99	523.45	362.75
1994-95	2290.76	1913.96	3.12	734.22	613.45
1995-96	2591.03	2591.03	3.49	742.42	742.42
1996-97	3802.44	3802.44	3.77	1008.60	1008.60
1997-98	400.00	400.00			

Note: Amount received and spent include only two components namely salary of teachers and

Teaching/Learning equipment (TLE)

When deflated by SDP deflator, the respective growth rates work out to approximately 25% and 21% on average per annum. These growth rates are far above the growth rates of around 8% (current) and 0.3% (constant) per annum of the expenditure on OBB at the national level. The all-India expenditure on OBB (1991-92 to 1999-2000-Revised estimate) is deflated by the wholesale Price Index (WPI-1981-82=100) (Table-3). Rajasthan even accounted for a higher share of roughly 11% on average for the period 1989-90 to 1997-98 in the assistance to states/union territories for OBB. The shares of other BIMARU states are 7.1%, 6.3% and 11.4% respectively for U.P, M.P. and Bihar. The combined share of these states comes to around 36%. Interestingly the average share of Andhra Pradesh of 10% exceeds that of the combined average share of 9% of four BIMARU states. (Table-4). In this way, the higher allocation has gone to the deserving State Rajasthan in this case.

Table-3

Central Government Expenditure on Centrally sponsored schemes (1991-92 to 1999-200)

At Current Prices

Year	Operation BlackBoard	% growth	Non-formal education	% growth	District Primary Education	% growth	Nutrition Support	% growth	Elementary Education	% growth	Education	% growth
1991-92(RE)	170		48		_	_	_	_	268		1734	
1992-93(RE)	175	2.94	80	66.67	_	_	_	_	340	26.87	1824	5.19
1993-94(RE)	179	2.29	110	37.5	40	_	_	_	444	30.59	2192	20.18
1994-95(RE)	215	20.11	131	19.09	40	0	_	_	512	15.32	2495	13.82
1995-96(RE)	268	24.65	154	17.56	231	477.5	612	_	1444	182.03	3649	46.25
1996-97(RE)	279	4.10	158	2.6	184	-20.35	800	30.72	1568	8.59	3730	2.22
1997-98(RE)	301	7.89	183	15.82	561	204.89	1070	33.75	2267	44.58	4716	26.43
1998-99(RE)	304	1.00	160	-12.57	550	-1.96	1400	30.84	2743	21	6397	35.64
1999-2000(RE)	300	-1.32	160	0.00	600	9.09	1500	7.14	2854	4.05	7318	14.40
Average Growth Rate		**7.70**		**20.00**		**133.00**		**25.60**		**35.30**		**20.50**

At constant prices 1981-82 (Rs. Crores)

Year	Operation BlackBoard	% growth Blackboard	Non-formal	% growth educati	District Primary Education	% growth educati	Nutrition	% growth support	Elementary Education	% growth educatio	Education	% growth
1991-92(RE)	**82**		**23**		_		_		**129**		**834**	
1992-93(RE)	**77**	-6.47	**35**	51.44	_		_		**149**	15.27	**798**	-4.42
1993-94(RE)	**72**	-5.60	**44**	26.90	**16**		_		**179**	20.52	**885**	10.91
1994-95(RE)	**78**	8.35	**48**	7.43	**15**	-9.79	_		**186**	4.02	**908**	2.68
1995-96(RE)	**91**	15.76	**52**	9.17	**78**	436.31	**207**		**488**	161.91	**1234**	35.82
1996-97(RE)	**89**	-2.12	**50**	-3.53	**58**	-25.11	**254**	22.91	**498**	2.10	**1186**	-3.89
1997-98(RE)	**91**	2.91	**55**	10.48	**170**	190.84	**324**	27.59	**687**	37.92	**1430**	20.61
1998-99(RE)	**86**	-5.53	**45**	-18.22	**156**	-8.30	**397**	22.38	**778**	13.17	**1814**	26.87
1999-2000(RE)	**83**	-4.20	**44**	-2.92	**165**	5.91	**413**	4.02	**786**	1.01	**2015**	11.06
Average Growth Rate		**0.31**		**10.10**		**104.50**		**19.20**		**31.90**		**12.40**

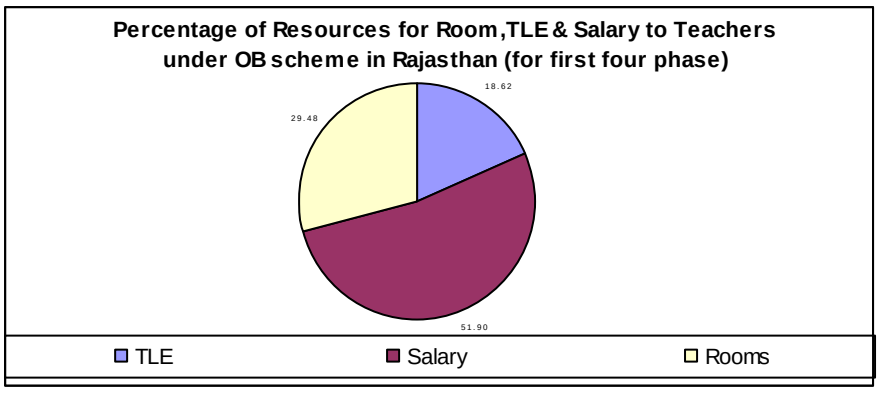
Source: MHRD Annual Report & Education Profile 1998

Table-4

Assistance to State/Uts for OB (Rs. In lakhs)									
	89-90	90-91	91-92	92-93	93-94	94-95	95-96	96-97	97-98
A.P	1209.29	2095.00	3637.75	463.14	1777.21	3000.60	2025.00	3301.03	1036.01
Aru.P	46.76	82.16	0.00	106.57	33.21	0.00	109.57	113.87	64.00
Assam	692.41	0.00	420.48	1628.46	512.04	851.26	3250.57	694.81	3517.64
Bihar	1407.66	1684.02	0.00	4167.11	2321.98	1655.94	1939.84	2556.74	1547.20
Goa	37.32	47.47	0.00	39.67	3.42	17.78	55.03	29.17	0.00
Gujarat	727.44	203.10	619.70	512.41	700.03	19.47	1696.60	0.00	3564.52
Haryana	111.39		292.17	0.00	32.52	19.19	25.52	166.20	29.39
Himachal P	458.09	297.03	456.10	264.73	224.75	386.37	813.82	594.80	1010.80
J&K	0.00		1103.06	0.00		1323.03	1355.86	0.00	1952.00
Karnataka	537.08	717.54	1876.67	360.00	1969.53	4499.39	1381.10	2567.78	3532.00
Kerala	0.00	156.12	82.90	0.00		0.00	767.48	0.00	310.84
M.P	0.00	1344.78	846.91	1688.61		0.00	96.66	741.23	3000.00
Maharashtra	788.33	612.22	.2795.46	1721.70	4149.12	4629.76	5559.72	7633.88	4746.84
Manipur	0.00	47.88	57.30	0.00	32.30	2.51	0.00	0.00	180.20
Meghalya	0.00	100.49	90.04	0.00	399.53	0.00	897.39	868.58	175.92
Mizoram	8.74	8.87	66.80	13.42	3.98	33.66	20.72	19.14	39.52
Nagaland	42.98	5.85	0.00	7.84		0.00	184.50	0.00	3.61
Orissa	864.25	1818.32	1147.90	2496.68	868.12	1743.92	3899.57	4546.00	548.83
Punjab	115.69	219.29	541.67	0.00		541.2	0.00	599.83	333.55
Rajsthan	1568.63	3456.83	2202.14	510.81	1565.13	2290.76	2591.03	3802.44	400.00
Sikkim	0.00	15.36	9.57	0.00		0.00	0.00	0.00	0.00
T.N	1213.02	510.24	449.96	0.00	233.70	411.91	0.00	0.00	725.00
Tripura	49.59	7.70	64.41	4.23	56.13	5.31	27.78	29.58	287.15
U.P	2757.26	860.94	650.00	1244.50		35.14	0.00	852.18	2280.66
W.B	0.00	349.46	140.02	254.00	2987.3	0.00	0.00	0.00	203.82
A&N Isl	8.27		3.82	0.00		0.00	0.00	0.00	18.00
Chandi G	1.17		0.00	0.00		0.00	0.00	0.00	0.00
D&N Hvli	0.00	4.14	8.17	3.66		0.00	0.00	0.00	18.50
D&Diu	0.00		0.00	0.00		0.00	0.00	0.00	20.25
Delhi	32.39	53.59	0.00	0.00		0.00	76.44	0.00	210.00
Lakshdip	0.00		0.00	0.00		0.00	0.00	0.00	2.00
Pondichy	20.32	10.72	0.00	3.90		2.8	19.20	0.00	10.00
India	12698.08	15009.12	17563.00	15491.44	17870.00	21470.00	26793.40	29117.26	29768.25

(Source: MHRD Annual Reports & Education Profile, 1998)

Burden to the state due to OB:



Since the inception of the scheme from 1987 onwards the scheme is aiming at providing three components of the scheme namely rooms, teachers and TLE. 51.90 per cent was towards construction of school rooms, 18.62 per cent for the supply of TLE and 29.48 per cent was for

the salary expenditure of additional teachers recruited during the first four phases. The burden which would follow on account of salary expenditure at the minimum would be Rs. 5357.84 lakhs. With regard to school buildings in the initial four phases the state contributed Rs. 1582.25 lakhs.

Component wise Analysis of Funding of OB:

As seen in the case study of Goa, the overall assistance to a state for the implementation of OBB and its allocation among three components are based on the Survey Reports Prepared by State officials. So in Rajasthan also survey was conducted. However, two district categories of surveys undertaken need not go unnoticed. At the time of launching of the scheme (1987-88-Ist phase) in 40% of the selected blocks and municipal areas the survey was conducted to assess the deficiency of schools with regard to (1) school buildings and classrooms (2) number of teachers and (3) teaching-learning materials. 20% to 30% and 10% blocks were surveyed during 1988-89 1989-90 and 1990-91 respectively. The reference date for survey under OBB was the same as for the Fifth All-India Educational Survey (NCERT, New Delhi), namely 30th September 1986.

The table produced below gives details of the number of blocks selected and schools identified for the implementation of OBB Phase wise.

Table-5

Phase wise coverage under OB scheme

Phase/Year	Number of Blocks	Number of Rural Schools	Number of Urban Schools	Number of Aided schools	Others	Total (2 to 6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. 1987-88	93	10842	1171	174	_	12187
2.1988-89	48	4974	36	1	_	5011
3.1989-90	71	6750	597	118	29	7494
4.1990-91	25	_	_	_	_	2322
All Phases	237					27014

Sorce: Department of Education, Govt of Rajasthan

Note: 40% of blocks were surveyed during 1987-88 itself. 20% during 1988-89; 30% during 1989-90; and the remaining 10% during 1990-91.

(A) Needs Assessment and Financing of School Buildings and Classrooms Construction:

Funding the Construction of Schools buildings and classrooms falls outside the previews of the Ministry of HRD, Department of education. It partakes the nature of multi-source financing. Finance Commissions Provide funds; then Rural Development Schemes such as NREP, RLEGP and JRY (Ministry of Rural Areas and Employment) and State governments. 48% of the funds for construction are provided by the Ministry of Rural Areas and Employment on the condition that the state raises 40% non-JRY and 12% JRYs state share.

A few other stipulations for construction should also be kept in mind (1) Provision of land for buildings, class rooms, games and sports by local community (village Education Committee) which also is responsible for maintenance and repairs. (2) All weather rooms approximately of 30sq.mtr. of separate toilets for boys and girls along-side the construction of school buildings and class rooms; and (4) 50% of money sanctioned is released at the time of construction by DRDA (District Rural Development Agency) and remaining 50% on completion of work.

Five sources of expenditure on construction are reported. They are State government, RLEGP/NREP, Ninth Finance Commission, other central schemes and others (Relief work and Public Panchayat and JRY. How much is the state's share? The state's share (i.e Rajashtan government and amount awarded by the Ixth Finance Commission) works out to roughly 43% as against around 75% share of the concerns central government ministry. The condition laid down for the fund sharing responsibility has been nearly met.

Table-6

Source-wise break-up of expenditure on construction

(Rs. in lakhs)

No.	State Govt.	RLEGP/NREP	Ninth Finance Commission	Other Central Scheme	Other Sources
1	53.24	645	662	246.30(BAD)	_
2	–	–	–	118.45(BADP)	770.00 (Relief work & Public, Panchayat at JRY)
3	50	_	354	_	
4	–	–	–	–	439.20 (Relief work & Public, Panchayat JRY)
5	_	_	345	_	

6	193.88	–	_	–	22.00 (Relief work & Public Panchayat JRY)
Total	7.6	16.5	34.9	9.35	31.6

Source: Department of Education, Govt. of Rajasthan.

7685 deficient in class rooms account for 28% of the total member of schools (27014). The official record shows that construction began in all these schools and during 1987-88 to 1989-90 all rooms were constructed. Amount spent during 1987-88 to 1989-90 was Rs. 3042.30 3 lakhs. The actual average unit cost works out to Rs. 0.44 lakh. So there is no cost escalation. And all the identified schools either have 1 or 2 class rooms. For the IV phase (1990-91) number of schools where construction was completed is given (747) but the expenditure (Table-7) was missing. In the official record at one place expenditure incurred is shown at Rs. 3052 lakhs slightly above Rs. 3042.30 lakhs. However, the same record also reports expenditure on construction of the tune of Rs. 3899 lakhs. This later figure might have covered the fourth phase (1990-91) also. If so, deducting Rs. 3899 lakh form Rs. 3052 lakh spent, the difference of Rs. 847 lakh may be taken as the amount spent during the IVth phase for the construction of 747 rooms. But in that case, the unit cost works out to Rs.1.13lakh. The average unit cost (estimated or actual) of construction is estimated to be Rs. 0.51 lakh. The IVth phase (1990-91) unit cost is twice the average for all the phases. Unit costs of construction for the first two phases are very close to the average (all phases) unit cost. They are Rs. 0.48 and Rs. 0.53 lakh for the first and second phase respectively. Surprisingly, during the third phase (1989-90) the unit cost declined phenomenally to just Rs. 0.19 lakh – slightly above one third (38% the average (Table.7). Following four things stand for scrutiny- (i) The reporting of the phase wise construction of rooms, sanctioned and completed may be incorrect, (ii) The phase wise break up of actual amount spent may be incorrect, (iii) In case expenditure figures phase wise are properly reported then the number of rooms constructed may be less and (iv) there may also be unspent amount. On the basis of information collected by our field investigator, the following consolidate picture emerges.

Table-7

Operation Black Board
Quarterly Implementation Report for projects sanctioned in 1987-88, 1988-89 and 1998-99.

Total No. Of Schools	No. Of schools for which estimates sanctioned/construction commenced	No. Of schools for which Buildings completed	Expenditure on buildings construction
1	2	3	4
		Total	**(Rs. In lakhs)**
Phase (1987-88)	1352	1352	
12187	2958	2958	2089
Phase II (1988-89)	359	359	
3011	976	976	708.2
Phase III (1989-90)	345	345	
7494	948	948	245.1
Phase IV (1990-91)	288	288	
2322	459	459	
25014	**7685**	**7685**	**3042.3**

Source: Rajasthan quarterly implementation report for projects sanctioned in 1987-88 & 1988-89 as on 30th sept. 1990.

Table-8

Phase wise coverage under OB scheme

Phase/Year	Schools identified for construction	Schools where construction completed	Schools where it is in progress	Rooms incomplete 1399 (19.3)	Amount sanctioned (Rs. In lakhs)	Amount spent (Rs. In lakhs)	Unspent Amount (Rs. In lakhs)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All 4 phases							
1987-88 to 1990-91	7235 (100.0)	4900 (67.7%)	936 (12.9)	1399 (19.3)	3081.32 (100.0)	3042.80 (98.75)	38.52 (1.25)

Source: Department of Education Govt. of Rajasthan

Note to Table: (1) Figures in brackets in Columns. 3,4 and 5 are percentages to total number of rooms sanctioned for construction (col.1);

(2) Figures in brackets in Cols. 7 and 8 are percentages to total amount sanctioned (col.6)

Construction of all the rooms was not undertaken. There were nearly one-fifth of the sanctioned schools for construction not covered. And marginal amount of the sanctioned remained unspent (1.25%)

Assuming that the amount sanctioned was for the construction of all 7235 rooms, the unit cost estimated works out to Rs. 0.43 lakh. On the basis of the number of rooms constructed and in progress (5836) and the amount spent (Rs. 3042.80 lakhs), the actual unit cost escalates to Rs. .52 lakh-cost escalation of 21%. With the available unspent amount of Rs. 38.52 lakh, the construction of only 90 and 74 rooms (out of 1399 unconstructed rooms) at the estimated and actual unit costs respectively could be started. This leaves out a sizeable number of rooms 309 and 1325. This amounts to mobilizing additional financial resources to the tune of Rs. 563 lakh and Rs. 689 lakh. (Table-8).

The questions for planners are in order.

(1) Has the Cost escalated?

(2) Has it anything to do with the initial cost estimate and the consequent financial resources sanctioned?

If the answers to the first two questions are in affirmative, then (iii) it is whose responsibility to mobilize additional resources and from where? (iv) How and why discrepancy in reporting of financial data has occurred? For achieving transparency in financial management such questions need to be answered carefully. Such a situation has arisen in Goa also.

As per Vth and VIth All-India Educational Surveys the Proportion of Schools without rooms has fallen from 4.3% to 1.8%, whereas that of one room and two rooms schools shows marginal increase-2.1% to 2.4% (one rooms schools) and 4.1% to 4.7% (Two room schools). As per information contained in our questionnaire, along with the sanction of the construction of 2 rooms in a school, toilet facility is also invariably to be created. Almost all the sanctioned two rooms by now seem to have been constructed. Toilet Provision side by side must have increased. At the primary school level, urinal facility provided in schools shows an improvement from around 14% (Vth Educational Survey) to 29% (VIth Educational Survey); only 18% of head masters/principals out of 40 schools surveyed in two districts of Rajasthan informed about separate toilet facilities for boys and girls and 28% about the existence of common toilet facility. Thirty five percent of respondents conveyed

about the drinking water facility. Thus lot more remains to be done. Even if additional teachers are appointed, TLE is supplied, these facilities may have no classroom impact when the basic hygienic facilities are lacking. More intriguing is the noting from the letter of a Collector of one district addressed to the Secretary, Education Department, (1) It says Rs. 88.40 lakhs required for the construction of 112 Primary school buildings and 67 lavatories, the amount provided was Rs. 35.36 lakhs. As per then prevailing market rates, the estimate escalates to Rs. 125.09 lakhs. This note reveals not only variation in the estimates prepared by the Education Department and by the Collect orate Office but also inadequate provision of funds. (2) In Panchayat Samities school buildings were completed but in majority of them no toilets were constructed violating the guidelines. The reason given for this laxity was paucity of funds though huge amounts were lying unutilized in P.D. accounts of Panchayat Samities. (3) Delay in construction ranges from 3 months to one year which was attributed to short period allowed for construction and delay in receipt of funds. Other factors noted for delay are vagaries of weather, suspension of Gram Panchayat and non-availability of skilled labour. These are the nothing from the horse's mouth. This is how finances were/are being handled.

School Buildings: Evidence from school survey.

The school survey which was conducted in Ganaganagar and Udaipur districts has amply supported the discussion in the above paragraphs which can be noted as below.

Table-8 School Survey Results of OB Schools-Rajasthan

State	**Rajasthan**					% Out of sample of 40 schools
District	Ganaganagar	Ganaganagar	Udaipur	Udaipur	Total	
Block	Karanpur	Suratgarh	Dhariyawad	Mavli		
Separate Room for H-Teacher	5	7	9	8	29	73%
Separate Toilet for Girls	1	4	1	1	7	18%
Separate Toilet for Boys	1	4	1	1	7	18%
Common Toilet	4	3	1	3	11	28%
Drinking Water Facility	2	4	2	6	14	35%
Electricity	1	3	0	0	4	10%
Mathematics Kit	1	0	0	4	5	13%

Source: CMDR Survey.

Financing and Utilization of Resources for Additional Teachers:

As on 30th September 1986, the position of Primary Schools with one and two teachers was as shown below:

Table-9
Schools with more than one teachers or one teacher

Schools with more than one Teacher	Schools with one Teacher	Total
(1)	(2)	(3)
10993 (44.5%)	13699 (55.7%)	24692 (100.0%)

Source: Department of Education Govt. of Rajasthan

Around 56% of schools were single teacher schools in Rajasthan. Thus, the number of schools for upgradation was 13,699. How many schools have been upgraded (i.e. from one to two teacher schools)? The information given below is relevant.

Table-10
Schools with more than one teachers or one teacher

Schools with more one teacher September	Schools with one teacher on September 1990	Total Number of Schools (1+2)
(1)	(2)	(3)
20809 (84.3%)	3883 (15.7%)	24692 (100.0%)

Source: Department of Education Govt of Rajasthan

The information is certainly eye catching. Number of schools with two and more teachers has gone up from 10992 (44.5%) to 20849 (84.3%) between September 1986 and 1990. As against this, the number of single teacher schools has fallen from 13699 (55.5%) to just 3883 (15.7%). Regarding these 3883 single teacher schools also orders for particial sanction of additional teacher posts were issued in 1990. By now in Rajasthan 13666 single teacher schools in 1986 identified for conversion have been converted to two or more teacher schools. Only hunch is the creation of new single teacher schools. Otherwise the achievement is creditable.

Table-11
Expenditure on Salary of Teachers (Rs. Lakhs)

Year	Released Amount	Amount Spent	Unspent Amount
1987-88	377.75	_	_
1988-89	752.70	_	_
1989-90	1568.63	_	_
1990-91	2658.76	_	_

Total	5357.84	4740.29	-617.29
1987-88 to1990-91	(100.0)	(88.5)	(-11.5)
1991-92	2202.14	2301.37	99.23
1992-93	510.81	901.13	_
1993-94	1084.65	1363.71	_
1994-95	1913.96	1913.96	_
1995-96	2591.03	2591.03	_
1996-97	3802.44	3488.16	_
Total 1991-92 to 1996-97	12105.03 (100.00)	12559.36 (103.08)	454.33 (3.8)
Grand-Total	17462.87 (100.00)	17299.65(99.1%)	-163.22 (-0.9)

Source: Department of Education Govt. of Rajasthan
Note: Percentages in brackets are percentages to total

Discrepancy is observed regarding the utilization of Salary Component. In the table "Financial Position (Release and utilization under OB Scheme" Year wise utilization is 100%. At other place, it shows around 12% under utilization during 1987-88 to 1990-91. Out of Six years from 1991-92 to 1996-97 there was 100% utilization in 2 years, over utilization in 3 years and underutilization in one year. Taking the period as a whole utilization is 99%.

Table-12
Amount Release and Spent for Teachers Salary

Number of Teachers appointed during 1987-88 to 1990-91	Amount Released (Rs. Lakh)	Amount Spent (Rs. Lakh)	Average Released Per Teacher (Rs)	Amount Spent Per Teacher (Rs)
9810 Number of Teachers Appointed during 1991-92 to 1996-97	5357.84	4740.29	54616	4832
13699	12105.03	12559.36	88364	9168

Source: Department of Education, Govt. of Rajasthan

During the first four phases 9810 teachers were appointed. Dividing amount spent by this number, we get Rs. 48321 per teacher per annum; average teacher salary comes to Rs. 4027 per month. Assuming that the remaining 3883 teacher posts are also filled up during 1991-92 to 1996-97, the amount spent when divided by 13699 teachers, the average amount spent per

teacher works out to Rs. 91,681 i.e. Rs. 7640 per month per teacher. The average salary has almost doubled (1.9 times). In terms of SDP deflator, it was Rs. 2237 per month on average during 1987-88 to 1990-91. It went up to Rs. 3322 during 1991-92 to 1996-97 almost by 1.5 times. In the state of Goa also in real terms average teacher salary per month has depicted the similar trend. Teachers have become better off. However, unlike Goa, female teachers account for roughly 30% as against 50% of newly recruited teachers. The male-female teacher ratio of 2:4:1 heavily tilts in favour of men. Pupil-teacher ratio at the Primary level of education went up from 66:1 during 1987-88 to 75:1 after a decade. This ratio is considerably higher than the norm of 35:1. In relation to current enrolment of pupils certainly more school buildings and teachers are needed in Rajasthan to achieve the norm of pupil-teacher ratio. Enrolment of SC/ST students in OBB schools as a proportion of over all SC/ST enrolment in Primary schools of 7.13% in 1987-88 was little higher at 7.28% in 1990-91. But it was 6.04% in 1997-98. No improvement in enrolment of SC/ST students in OBB schools is visible. When the primary stage itself is not adequately strengthened why is the OBB scheme extended to upper primary stage? The achievement there may not necessarily be encouraging. On the contrary, this amounts to frittering away of resources spent on OBB. Information on financing of OBB scheme during its initial launching period is not totally perfect, the level of perfection has gone down even further when the scheme is extended to upper primary stage.

Teaching-Learning Equipment. (TLE): Release and Utilization of Resources

Information about the number of schools supplied TLE, total amount spent on TLE and the unit cost of TLE is given in Table-13.

Table-13
Release and Utilization of Resources for TLE

Year	No. Of Schools Supplied TLE	Total Amount Spent on TLE (Rs. Lakh)	Unit Cost of TLE (Rs.)
1987-88	12107	797.80	6590
1988-89	5011	370.98	7403
1989-90	5011	_	_
1990-91	7494	753.51	10055
	24612	1922.29	7810
	(29623)		(6489.0)
1993-94	961	480.57	50001
	942	376.80	40000

	1903	857.31	45050
1997-98	1000	400.00	40000
All	27515	3179.60	11556

Source: Department of Education Govt. of Rajasthan

It may be observed from the table that the total amount spent on TLE, except the year 1990-91, was the amount sanctioned for the purpose. This amounts to 100% utilization barring about 6% underutilization during 1990-91. The unit cost over time has increased. Average unit cost during 1987-88 to 1990-91 was Rs. 7810 higher than the uniform average cost of Rs. 7215 laid down. It is contended that the actual unit cost of supplying TLE of Rs. 6369 is lower than the one prescribed (12% lower). Why is this discrepancy between our estimate and the official one? The reason probably is the inclusion of 5011 schools supplied TLE in 1989-90 while calculating the actual unit cost though amount spent was not shown in that year. As shown in bracket (col. 4) this inclusion (changes the denominator i.e. the number of schools without any change in the numerator i.e. the total amount spent for the period) brings down the average unit cost to Rs. 6489 from Rs. 7810. This figure of Rs. 6489 is very close to the official actual unit cost of Rs. 6369. Taking clue from the official actual lower unit cost it can be surmised that TLE can be supplied at a lower cost and hints at accepting regional variation in unit cost rather than prescribing uniform unit cost. The logic of prescribing unit cost can be defended only if it is taken as the ceiling beyond which no increase in TLE unit cost is permitted. In the state of Goa the actual unit cost was 3% above the prescribed one. If variation in the range of 1% to 5% is allowed then it is to be taken as a guideline for estimating the total amount required for the supply of TLE to schools.

1993-94 and 1994-95 were the years of extended phase I and II respectively in Rajasthan During these phases the third teacher was sanctioned for Primary schools where enrolment exceeded 100 students and TLE probably was supplied to such schools. In the process, the average unit cost of Rs. 45050 has turned out to be 6 to 7 times the average unit as for the first four phases. The third extended phase in 1995-96 implies the coverage of upper primary schools. The number of schools covered was 1000 and the amount spent on TLE was Rs. 400 lakh the unit cost works out to Rs. 40,000. Does this mean that the procurement of TLE for the Upper Primary schools cost so much? This cost is as high as the unit cost of Rs. 40,000 (general

area school) and Rs. 50,000 (schools in SC/ST localities mainly) estimated by the purchase committee for the year 1998-99. Can the ceiling scale to such a high level within a decade (from Rs. 7215 to Rs. 40 to 50000)? Has the cost of TLE increased at such a rapid rate? Assuming that the cost escalation should be as high as the increase in SDP Deflator, then the average unit cost of TLE should have gone up by 2.2 times, i.e. upto Rs. 14276 to Rs. 17182 but not upto Rs. 40000/-. Real average TLE cost has more than doubled (2.5 times increase) during the period. This increase in TLE cost is faster than the increase in real salary cost (teachers only). Is it on account of limited reliance on market for the purchase of TLE? or Is it due to the coverage of material maintenance cost as well as the transformation cost of bringing TLE from district/block to school? Whatever may be the reason the increase in TLE cost of such magnitude calls for a probe in the whole funding and administrative set-up of the OBB scheme. In terms of cost effectiveness, the TLE cost might be still higher as its impact on teaching/learning improvement is very limited. There seems to be a case for linking provision of funds under central schemes (Plan Schemes) to States to their performance or compelling states to initiate actions to overcome the hurdles in the way attaining better their performance.

In the light of above discussion if we look at the school survey data the situation seems to be pathetic. Out of the 40 schools surveyed by us in Ganga nagar and Udaypur districts the following picture emerges with regard to TLE materials in schools.

Table-14

Schools Survey results of OB schools-Rajasthan

State	**Rajasthan**					% out of
District	Ganganagar	Ganganagar	Udaipur	Udaipur	Total	sample of 40
Block	Karanpur	Suratgarh	Dhariyawad	Mavli		schools
Information about OB scheme						
Know TLE Material supply under OB	0	0	0	0	0	0%
Storage Facility	0	0	0	0	0	0%
Satisfied with Content of TLE	0	0	0	0	0	0%
Procurement & Delivery procedure	0	0	0	0	0	0%
Availability of TLE/Material						
Teaching Guide:Science	1	0	1	3	5	13%
Teaching Guide: Maths	1	0	1	3	5	13%
Teaching Guide: Social Studies	1	0	1	2	4	10%

Maps:District	0	0	0	3	3	8%
Maps:State	4	1	2	7	14	35%
Maps:Nation	4	1	2	8	15	38%
Maps:World	1	1	2	3	7	18%
Charts	3	1	1	7	12	30%
Sports Equipments	2	0	1	1	4	10%
Library Books	5	1	1	3	10	25%
Mini Tool Kits	1	0	0	0	1	3%
Primary Sceince Kit	0	0	0	2	2	5%
Mathematics Kit	1	0	0	4	5	13%

Source:CMDR Survey

In none of the schools teachers were aware about supply of TLE material under OB and none of schools had storage facilities. This speaks good deal about the efficacy of the scheme in reaching the essential supplies to the institutions for which scheme is meant. Teaching guides, Maps, Library books and Tool kits were found in significantly lower proportion of the schools. Thus the scheme of OB is to cover grater distance in this state with much more co-ordinated efforts to realize the objective set for it.

Concluding Observations

At the time the OBB scheme was launched, Rajasthan was very much deficient in all the three components in terms of sheer magnitude. It accounted for around 30% of the total earmarked funds provided by the central government to seven selected states during 1987-88 to 1998-99 has against barely 0.4% share of Goa.

A little above two third of the class rooms identified for construction were constructed; the work was in progress in the other 13% of the identified schools. This levels 19% of the work incomplete. The escalation of the construction cost in visible. The unit cost estimated in the basis of the amount sanctioned and the number of rooms to be constructed of Rs. 0.43 lakh escalated to Rs. 0.52 lakh on the basis of the number of rooms constructed as well in progress and the amount actually spent. The unfinished construction task calls for the mobilization of a sizable amount of resources. The amount provided has turned out to be inadequate because of the variations in cost estimates prepared by the Education Department and the collect orate office and also due to cost escalation as a consequence of the delay in construction.

The most outstanding achievement is found with respect to the recruitment of teachers. The proportion of 56% of single teacher school in the beginning came down to only 16% by 1990-91. The phenomenon of single teacher school like in Goa, might be a thing of the past. Utilization of funds in both the cases was virtually 100%.

The behavior of pupil teacher ratio at the primary level hints at the further requirement both of school buildings and teachers to bring down the ratio to the suggested norm of 35:1 or 40:1. In view of this, the extension of the scheme to the upper primary level does not appear to be wise step.

The state's government capacity to procure TLE at a cost lower than the one uniformly prescribed requires rethinking on the logic of laying down such a uniform TLE cost (Rs. 7215 per school) country wide. Another thing to be noted regarding TLE cost is the out of proportion variation in the cost fore the primary schools (Rs.7215 per school) and for upper primary school (Rs.40-50000 per thousand school). The variation is in the range of 5-7 times. Nowhere in the scheme such an accepted variation is defended. This is one important issue in the field of financial management of the scheme.

CHAPTER VI

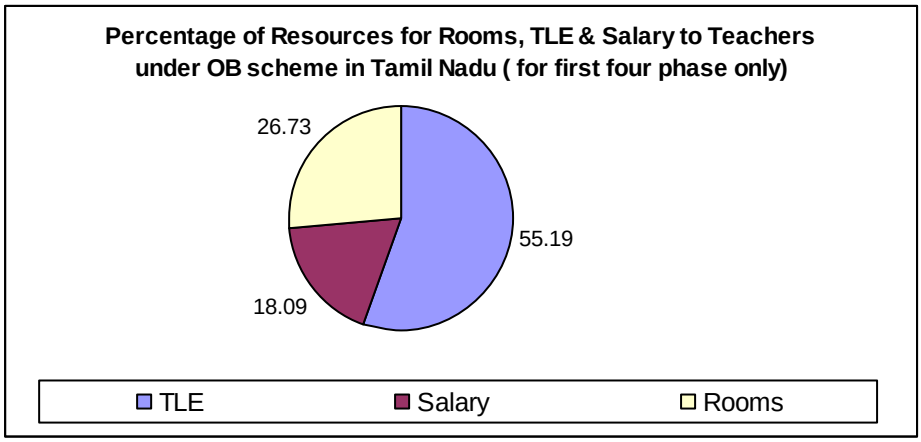
An Experience of Despair and Hope

A Case Study of OBB in Tamil Nadu:

The state of Tamil Nadu also implemented the OB scheme from 1987-88 onwards and as stipulated in the scheme all three components are supplied to the schools. If we look to the importance attached to OB scheme in comparison to the other major centrally sponsored schemes in Tamil Nadu, it ranks second. For the period 1992-93 to 1997-98 the average percentage share of resources received by the state was to the extent of 22 percent. The scheme on Teacher Education received for the same period about 29 percent of resources and occupied the first position. In comparison to these schemes some of the other schemes received lesser amount, for example vocation Education 16%, TLC/PLC 11%, science Education 16%, CLASS 5%. In this way it seems that the scheme of OB has found a better place in this state within the major centrally sponsored schemes in Tamil Nadu. In comparison to the selected seven states for the study Tamil Nadu's share was lower than Karnataka which had 32% and equal to that of Rajasthan. Rest of the four states had received lesser percentage of shares of OB resources as compared to Tamil Nadu.

Burden to the state:

Since the inception of the scheme from 1987 onwards the scheme is aiming at providing three components of the scheme namely rooms, teachers and TLE. A total of 26.73 per cent of funds were towards construction of school rooms, 55.19 per cent for the supply of TLE and 18.09 per cent was for the salary expenditure of additional teachers recruited during the first four phases. This is shown in the chart below.



in an initial four phases the expenditure in the state on account of salary to the teachers was Rs. 754.32 lakhs and this in the long run. i.e., when teachers salary is met out of the state funds would act as a burden to the state. The state contribution for schoolroom construction was Rs. 579.67 lakhs.

The amount received by the state for two components of the scheme namely Teachers' salary and TLE (which are 100% funded by the central government) show a wide year to year variation for the period 1987-88 to 1988-89. But the average growth rate for the whole period with regard to the amount received was 5.02 percent but the amount spent has indicated a negative growth rate of –5.25 on an average. If this is the picture at current prices, the message that emerges at constant prices is much more disheartening. At constant prices the average growth rate of amount received by the state was to the extent of 18.1 percent while that of the money spent was –32.3 percent. This shows a phenomenal decline in real terms of the expenditures on OB scheme in the state. The growth rates of expenditure at current and constant prices are presented in the table below.

Table- 1

RELEASE AND UTILISATION OF FUNDS UNDER THE SCHEME OF OPERATION BLACKBOARD

(From 1987-88 To 1998-99)

State: Tamil Nadu

Year	Amount Received	% Growth rate at Current Price	Amount Spent	% Growth rate at Current Price
1987-88	480.80		480.80	
1988-89	856.92	78.23	856.92	78.23
1989-90	1213.02	41.56	1207.28	40.89

1990-91	510.24	-57.94	510.24	-57.74
1991-92	449.96	-11.81	449.96	-11.81
1992-93	0.00	-100.00	0.00	-100.00
1993-94	233.70	0.00	0.00	0.00
1994-95	411.91	76.26	0.00	0.00
1995-96	0.00	-100.00	0.00	0.00
1996-97	0.00	0.00	0.00	0.00
1997-98	725.00	0.00	725.00	0.00
1998-99	209.40	-71.12	209.40	-71.12
Total	5090.95	2331.21	4439.60	2020.15

Years	Amount Received at Constant Price (Deflator)	% growth rate of amount received at constant price	Amount spent at Constant price (Deflator)	% growth rate of amount spent at constant price
1987-88	293.17		293.17	
1988-89	465.72	58.86	465.72	58.86
1989-90	615.75	32.21	612.83	31.59
1990-91	237.32	-61.46	237.32	-61.27
1991-92	181.44	-23.55	181.44	-23.55
1992-93	0.00	-100.00	0.00	-100.00
1993-94	82.58	0.00	0.00	0.00
1994-95	130.77	58.36	0.00	0.00
1995-96	0.00	-100.00	0.00	0.00
1996-97	0.00	0.00	0.00	0.00
1997-98	186.38	0.00	186.38	0.00
1998-99	0.00	-100.00	0.00	-100.00
Total	0.00	0.00	0.00	0.00

In the background of the declining trend of OB expenditures in the state it would be interesting to take note of the component wise progress of OB scheme in the state.

Number of districts has increased from 18 to 29 from 1987-88 to 1998-99 and for the same period the number of blocks have gone up from 77 to 197. Upto the end of third phase (1989-90) all the districts were covered and also all the blocks were covered. The phase wise coverage of blocks and schools is presented below.

Table –2
Phase wise coverage under OB scheme- Tamil Nadu

Phase	Years	No. of blocks covered	No. of schools covered (Primary)	Primary & Upper primary
I	1987-88	77	5595 (18%)	
II	1988-89	155	11019 (37%)	
III	1989-90	152	12061 (40%)	
IV	1990-91	-		1680 (4.7%)

Source: Department of Education Govt of Tamil Nadu.

Upto the end of the III phase about 94% of the schools were covered under the scheme, and the III phase got extended to the upper primary schools also.

Financing and Utilisation of funds for Schools Rooms:

The state of Tamil Nadu identified 10,888 deficient classrooms of which it planned to construct 1700 rooms in the first three phases, is 15.7 percent. Out of this only 1396 got constructed, till the end of III phase. The official records of the state indicate that the remaining rooms would be covered under the J.R.Y scheme. The state documents on OB also clearly indicate that, the education department has not maintained the details about expenditure towards the construction of schoolrooms because the activity does not get the funds directly by the education department. It says that since the construction of schoolrooms is done by the ministry of Rural Development the records of the education department with regard to the expenditure incurred on school buildings show 'NIL' amount on this particular head.

However the data which we collected from MHRD, Govt. of India gives financial details as well as physical progress achieved with regard to the construction of classrooms. But it should be noted here that the physical data about schoolrooms does not tally with the state level information provided by the Tamil Nadu Education Department. The phase wise construction of classrooms is given below.

Table – 3

Construction of class rooms- Tamil Nadu

Phases Proposed	Construction of Rooms	Rooms Completed	% Of Rooms Completed
I	207	152	73

II	395	271	68
III	1094	38	3.4
IV	-	-	-
Total	1696	461	

Source: Dept. of Education Govt. of Tamil Nadu

In contrast to this the state department information claims that in the 1st phase 298 rooms were completed, 344 rooms in II phase and 704 in the III phase. Thus a total of 1396 rooms were constructed. The divergence between state data and the data provided by MHRD, Govt. of India is quite intriguing. Now the question is which source to be relied upon. Even if we consider that the state data to be more reliable about 82% of the proposed rooms were constructed. But the state had identified 10,888 rooms to be constructed and out of this a meager of 13% of got constructed.

Flow of Resources for Room construction:

This situation calls for deeper examination of the issue in the background of non-availability of funds for the construction of classrooms to the state education department. The funds for construction of classrooms go to the ministry of rural development and hence the state education department incurs no expenditure on this head. This might have weakened the control of education department over the classroom construction in the state. Unlike in other states there seems to be no valid reason for depriving the Tamil Nadu education department of its legitimate share in getting the resources for the construction of classrooms. This factor might have acted as a major cause for poor performance of classrooms construction in the state. This also highlights the fact that the stipulation of OB scheme as pronounced by MHRD, Govt. of India have been thrown to the wind in the state under the scheme of OB it is mandatory for the ministry of Rural Development in any state to divert the funds from JRY or any other such schemes for the construction of class rooms under the OB scheme. The issue needs to be corrected in the near future for realizing the provision of minimum facilities to the schools in the state. The very essence of financial management i.e. the control over finances seems to have been relegated to the background in the case of classroom construction in the state of Tamil Nadu.

Reflections from School Survey:

In order to capture the foallouts of the issues discussed above a survey of forty schools was conducted above a survey of forty schools was conducted in Coimbature and Kancheepuram districts. The survey findings are as noted below.

Table – 4

School Survey Result of OB schools- Tamil Nadu

State	Tamil Nadu					%out of sample of 40 schools
District	Kanchipuram	Tiruvallur	Coimbatore	Coimbatore	Total	
Block	K.Kollatur	Tiruvallur	Pongalur	Udampet		
Separate Room for H-Teacher	3	2	0	3	8	20%
Separate Toilet for girls	1	2	2	4	9	23%
Separate Toilet for Boys	2	2	2	4	10	25%
Common Toilet	3	0	0	5	8	20%
Drinking Water Facility	7	6	6	4	23	58%
electricity	7	6	5	8	26	65%

Source: CMDR Survey

Our investigators have reported that in same pockets schools are in need of additional rooms due more number of children. The usability of buildings is not very satisfactory and most of them require both miner and major repairs. With regard to other facilities we can note from the above table as usual like in the other states the toilets are not in good numbers across the schools. However the drinking water facility was found in 58% of the schools, which means the Tamil Nadu is quite ahead of other states in this respect. One of the stipulation of OB of separate room for Head Teacher is now provided satisfactorily. This may be due to the funding of the component under the scheme wherein, accommodating a separate room for the Head Teacher is not possible.

Funding and utilization of resources for additional teachers:

Under the scheme the state provided additional teachers to the schools in phased manner. The phase wise provision of teachers and amount released and utilized are as given below.

Table-4

Phase wise provision of teachers and amount released and utilized

Phase	**Amount Released**	**Amount Spent**	**Teachers Appointed**
I	330.69	330.69	450
II	606.54	606.54	851
III	267.05	267.05	528
Total	1204.28	1204.28	1829

Source: Dept. of Education Government of Tamil Nadu

Number of primary schools with single teacher as per the Fifth All India Educational survey, which the state relied upon were to the extent of 2724. Out of this 1829 schools were given additional teachers at the end of the IIIrd phase. It only means that upto this period about 67% of the schools were covered under the provision of additional teacher.

In the IV phase 4613 teachers have been sanctioned as third teacher for the primary schools where the enrolment has exceeded 100. This is done under the expanded OB scheme from 1994-95 to 2000. The provision for the remaining 895 single teacher schools is also made in the proposal submitted for the IV phase of the scheme. Though the proposal was submitted, the progress of the IV phase was not available from the official records of the department in Tamil Nadu. Added to this the following table shows that no funds were released to the state for the years 1992-93 to 1996-97 towards the teachers' salary component under the scheme.

Table-5

Salary Expenditure

(Rs. In Lakhs)

Year	SALARY		
	Released	**Utilized**	**Unspent**
1987-88	53.10	53.10	0.00
1988-89	57.80	57.80	0.00
1989-90	133.18	133.18	0.00
1990-91	510.24	510.24	0.00
1991-92	449.96	449.96	0.00
1992-93	0.00	0.00	0.00
1993-94	0.00	0.00	0.00
1994-95	0.00	0.00	0.00
1995-96	0.00	0.00	0.00
1996-97	0.00	0.00	0.00
1997-98	725.00	725.00	0.00
1998-99	209.40	209.00	0.00
Total	2138.68	2138.68	0.00

Source: MHRD Govt of India

As noted in the above table no releases were made to the state from 1992-93 to 1996-97 for teacher salary component. Out discussions with state level official could not yield any meaningful clarification for this. In this background we may note that, for the period 1994-95 to 1999-2000, 4613 teacher posts were sanctioned of which 1602 were appointed. This means that about 34 percent of the teacher posts were filled. The amount of time lag between release,

appointment of teachers and utilization of funds might led to the decline in the number of teachers appointed, and all this might have been due to the non release of funds of stated above.

As for as the training of OB teachers is concerned, only 1st phase the training was given to the teachers appointed, but no financial data are available on this component.

Though the state has made sincere efforts to fill up teachers and provide them to the primary schools in T.N, still many of the rural schools function as single teacher schools. The state officials opined that use of political power, preference for urban postings have been responsible for this.

In sum we may note that the in the first three phases about 64% of the teachers were appointed and in the IV phase about 34% of the teachers were appointed. In so doing the state has fully utilized whatever it received from government of India towards teachers' salary expenditure.

Finances for Teaching Learning Equipment:

In view of providing this crucial input to the primary schools, the schools were covered phase wise and the following table gives the progress of TLE component in Tamil Nadu.

Table – 6

Phase wise coverage for TLE

(Rs. In lakhs)

Phase	Amount Released	Amount Spent	No. Of schools covered	No. Of schools covered (%)
I 87-88	470.47	470.41	5995	20.4
II 88-89	879.03	876.06	11019	37.5
III 89-90	957.16	954.45	12052	40.8
Total	2306.66	2300.92	**Total**	98.7

Source: Dept of education Government Tamil Nadu

By the end of the third phase about 99% of the primary schools were covered in the provision of TLE materials.

If we look to the data on TLE expenditure for the period 1987-88 to 1998-99 about 22% of the resources have remained unutilized which can be noted from below the table

Table – 7

TLE Expenditure for the period 1987-88

(Rs. In Lakhs)

Year	TLE Expenditure		
	Released	**Utilized**	**Unspent**
1987-88	427.70	427.70	0.00
1988-89	799.12	799.12	0.00
1989-90	1079.84	1074.84	5.74
1990-91	0.00	0.00	0.00
1991-92	0.00	0.00	0.00
1992-93	0.00	0.00	0.00
1993-94	233.70	0.00	233.70
1994-95	411.91	0.00	411.91
1995-96	0.00	0.00	0.00
1996-97	0.00	0.00	0.00
1997-98	0.00	0.00	0.00
1998-99	0.00	0.00	0.00
Total	2952.27	2300.92	651.35

Source: MHRD Govt of India

The unspent amount has resulted mainly due to non-availability of quality maps, charts and few selected books for school libraries. The supply of maps and charts was be done by Khadi and Village Industries Board, which in turn entrusted. This work to various co-operative societies engaged in manufacturing of these items. Since these societies have not been able to supply the materials the amount has remain as unspent balance from as long as 1989-90 onwards to the extent of Rs. 5.74 lakhs. In 1993-94 it was 233 lakhs and in 1994-95 the unspent amount was Rs. 411.91 lakhs. **A lag of 5 to 10 years in fuller utilization reveals the problems encountered in fuller utilization of resources by the states.**

In order to know the physical inputs to the schools regarding TLE. CMDR surveyed the schools which has revealed the following picture.

State	**Tamil Nadu**					% out of sample of 40 schools
District	Kanchipuram	Tiruvallur	Coimbatore	Coimbatore	Total	
Block	K.Kollatur	Tiruvallur	Pongalur	Udampet		
Information about OB scheme						
Know TLE material supply under OB	10	8	6	6	30	75%
Storage Facility	7	3	3	4	17	43%
Satisfied with content of TLE	10	10	8	3	31	78%
Procurement & Delivery procedure	10	9	7	6	32	80%
Availability of TLE/Material						
Teaching Guide: science	6	4	5	5	20	50%
Teaching Guide: Maths	6	5	5	5	21	53%
Teaching Guide: Social studies	6	4	5	5	20	50%
Maps: District	8	8	6	7	29	73%

Maps: state	8	9	7	8	32	80%
Maps: Nation	10	9	7	8	34	85%
Maps: world	10	10	7	8	35	88%
Charts	9	7	7	6	29	73%
Sports equipments	10	10	10	10	40	100%
Library Books	10	10	10	9	39	98%
Mini Tool Kits	8	8	8	7	31	78%
Primary Science Kit	9	7	10	7	33	83%
Mathematics Kit	9	8	10	7	34	85%

Source: CMDR Survey

Survey results indicate that 75 percent of the schools were aware about the supply of TLE under OB scheme. This itself speaks a good deal about the method of incorporating schools in to the scheme. Coupled with this stage facility for TLE materials was found in 43 percent of the schools only. We can also note from the table that most of the TLE materials like maps, charts and tool kits are not fully available in the schools. The procedure followed in the state for procurement and delivery of TLE materials has probably got well reflected in our survey.

Though the states are willing to spend the money they not able to do so because of practical difficulties faced in procuring the requisite materials. This certainly halts the supply of essential teaching/learning aids to the schools. Thus proper attention beyond finances, of preparing necessary ground for quicker implementation of the scheme deserves the attention. After the Khadi and Village Industries Board declared that it was not possible for to do supply the materials, the state decided to go for an open tender. District committees were constituted for the purchase of TLE. But ultimately the tender process has been deferred due to faulty tender documents.

TLE in schools: Survey Results.

Concluding observations:

i. Financing mechanism for school buildings:

The finances towards construction of schoolrooms do not reach the education department districts, but the department seeks the help of Rural Development Department for the construction of schoolrooms, for e.g.

The Education secretary writes to secretary, Rural Development and District collectors, indicating villages, where buildings are to be constructed under OB, with a request to include them under JRY or Rural Development works or other works.

As noted in our earlier discussion there are many schools without additional rooms and the present mechanism of financing school room construction which is not found in other states, may be affecting the quality of resources made available to this component. As a fallout of the existing mechanism in Tamil Nadu, the funds towards school buildings are utilized at the Panchayat Union level hence District Education Officer is not involved in school buildings under Ob. Block level Panchayat Union Commissioner assigns construction of school buildings to the PWD. Thus keeping away of the education department might have negatively affect schoolroom construction in the state.

ii. Supply of additional teachers:

With regard to the appointment of teachers it is to be noted that Accountant General's office ha s pointed out state level officials opined that teachers do not prefer to work in rural schools. They use political influence to reach urban schools that teaching resources are badly distributed across the state, which also nullify the expenditure made on them. They also felt that living accommodation needs to be provided to teachers in rural areas. In order to speed up the process of appointing additional teachers, the District Elementary Education Officer should be given authority to fill up posts vacated due to retirement, transfers as well as appointments in new schools.

iii. Managing the supply of TLE:

In case of TLE also the Accountant General's office has pin pointed the irregularities in the purchase of materials. As in the case of other states also, Head Teacher is not involved in the procurement of TLE. Since the centralized system of procurement was not affective, and the state could not utilize the resources fully, the state has now switched over to decentralized system of purchases.

Here it is important to add that as the state has adopted a switch over policy in TLE it should also charge the system with regard to schoolroom construction. The involvement of education department is very essential in the effective treatment of its needs with regard to schoolrooms.

The finances which are made available to the school buildings have certainly reflected the ground level deficiency in facilities. The route through which the state provides funds for school buildings ignoring the education department has not been effective in really

understanding of the needs of the schools. This is reflected in the survey results and about 20 percent of the schools have toilet facilities and drinking water facility. In case of TLE it is interesting to note that only about 75 percent of the teachers know that TLE materials are supplied to the schools. Availability of teaching guides is not very encouraging. Sports equipments and books were available in most of the schools. However the supply of teaching tool kits needs to be strengthened further.

Need For Greater Attention:

A Case Study of- West Bengal

Historically West Bengal belongs to the group of developed states in India. Among the seven states taken up as case studies literacy rate of 72% in 1997 was the highest in West Bengal. Even the gender gap in literacy has narrowed by 3.3 percentage points between 1971 and 1991 in West Bengal which shows a faster reduction in gap than that of 2.6 and 2.3 percentage points in Karnataka and Punjab respectively. (Gender Gap in Literacy in UP-questions for decentralized Education Planning Lorri Mc Dougall- EPW, May 2000) West Bengal occupies 5th rank among 15 major Indian states in this regard.

Of the total amount released under OBB as the earmarked funds for Teacher salary and TLE during 1982 to 1998-99 (as on 31-3-99) of Rs. 230868 lakhs for the nation as a whole, the combined share of seven states is Rs. 69489.08 lakhs, i.e., 30.08% of the total. The allocation among seven states is as shown below.

States	Rs.Lakh	Percentage
1. Goa	274.51	0.4
2. Karnataka	22918.14	33.0
3. M.P	12087.55	17.4
4. Punjab	3069.69	4.4
5. Rajasthan	20687.00	29.8
6. T.N	559.95	7.3
7. W.B	5361.34	7.7

The share of West Bengal is as high as that of T.N. But considerably lower than the individual share of Karnataka, Rajasthan and Madhya Pradesh. It is definitely much above the respective shares of 0.4% and 4.4% of Goa and Punjab.

Overall Recovery for OB and Burden to the state:

Burden to the state due to OB scheme out of the first four phases was to the extent of Rs.17.44 lakhs in the year to come i.e., of and when the teachers get transferred to the non-plan state account. The state share for the construction of school buildings was to the extent of Rs. 1627.62 lakhs.

Financing of School Buildings and Class-rooms

Funds for this component of OB are not earmarked. Funds required come from different source. Information about the schools identified for the construction of additional rooms, about new school buildings, and about the funds sanctioned, released and spent is so scanty that it is virtually impossible to conduct any meaningful analysis of this OB activity. The paragraphs below make it evident.

As per one of the communications of the West Bengal government of 1990, 6000 schools were built up with NREP, RLEGP and VIIIth Finance commission upgradation grants. Those were not necessarily the schools under OBB. On the presumption that 20% of these schools accounted for OB blocks, only 1200 schools were identified for coverage under OB scheme which hardly formed 3% of the total number of primary schools. It was also reported that Rs. 1300 lakhs available for construction from VIIIth and IX th Finance Commissions were sufficient for the construction of only 1733 schools at an estimated unit cost of Rs. 75000/- per school. For 6000 schools, the total amount required would be Rs. 4550 lakh. From which sources such a staggering gap between the amount made available and the amount needed would be bridged, seems to be a mystery. Probably from state government own funds. At one place it was mentioned that 146 primary schools have not got buildings of the OB standard. To bring these schools to the OBB standard, sufficient provision in the state plan budget for the year 1990-91 was made. Does it mean that the presumption of 20% of 6000 schools forming a part of OB scheme simply a guess timate without any base? upgradation of 146 schools at an estimated unit cost of Rs.75,000/- requires hardly Rs.11 lakh which any state government could have provided without any difficulty. However, in two districts- Jalpaiguri and Midnapore- out of 18 districts- during 1990-91 the construction of 261 rooms was completed. Then 261 and not 146 schools were not up to the OB standard. The amount sanctioned, released and actually spent was not shown in the records of both the districts. Coming to the more recent year 1997-98, another communication has stated that 450 schools were identified for the construction of 2 rooms and 828 schools for one room construction at an estimated unit cost of Rs. 1,35,212 (Rs. 1728.0 lakh were allotted for the purpose). The total number of 1278 schools comes very close to the presumed 1200 schools (20% of 6000).

According to the sixth All India Educational survey, 11614 and 11,860 schools respectively have one and two rooms. These schools form 44% of the total number of primary schools in the state. Let us relate this statistics to the trends in primary schools, enrolment, and in the number of teacher during 1987-88 to 1989-99. where as the enrolment has more than doubled, schools show a mere increase of 61% an teachers only 21% ending in the deterioration of the pupil – teacher ratio from 32:1 in 1987-88 to 60:1 in 1998-99. Since the number of teachers per school has virtually remained steady at or around 3, the appointment of third teacher in a primary school enrolling more than 100 student should have been taken care of. Then, what is required to stem the observed over crowding is to construct more rooms, initially the coversion of single room schools into two room schools to be given priority. Along with the conversion of one room schools to two room schools the need for additional teachers also arises. In this context, the stipulation of the appointment of third teacher in a primary school enrolling more than100 students demands a slightly different interpretation. By how much more than 100 students? Is it 101 or 199? Assuming that the most appropriate pupil- teacher ratio at the primary level of education is 40:1 and not 60:1 as is the current scenario in West Bengal, appointment of third teacher upto 140 student strength in a school is okay. Once it goes beyond this number an approaching almost 200 (in 1998-99, 172 students on average in a primary school), the appointment of fourth teacher becomes relevant. Unless this is done the number of teachers per school which is 2:9:1 may go down further. This tendency has emerged and it is better to arrest it side by side the conversion of schools to two room schools. The comparison of Vth and VI th All India Educational surveys reveals that the proportion of schools **without any room** has gone up to almost 7% from around 5% during the intervening period. Similarly, the proportion of single room schools of 5% at the time of Fifth educational survey was higher at 7.4% at the time of sixth survey where as that of two room schools came down from 6% to 4%.

The OB scheme when launched countrywide in1987-88 gave the impression that all the three components were inter-related and viewed as a policy package. At least in West Bengal this has not been so taken. Out of the first four phases from 1987-88 to 1990-91, only during the second phase, 1988-89 the year during which the OB scheme was implemented in West Bengal, this activity was taken up. Out of 11139 schools identified for coverage in 6503 schools second room and in 2857 schools one room were to be constructed, covering 84% (9360 schools) of the

schools selected. Out of these 9360 schools, construction of second room in 6459 schools was completed. This works out to 69% of the schools where actual construction started leaving a margin of 31%. In one of the official communications it was started that 17782 classrooms were sanctional for construction. Out of which 12918 classrooms were completed (72.6%)-leaving the unfinished construction task to the extent of 27%. No construction was reported to have taken place in schools without rooms (2857). The amount requested for construction was Rs. 2336 lakh but the actual spent was Rs. 3130 lakh. The estimated unit cost works out to Rs. 25000 whereas the actual unit cost is as high as Rs. 48,000/- almost two times the former.

This actual unit cost (Rs. 48,000) is much lower than the one of Rs. 75,000/- for the construction of 1733 rooms for which VIIIth and IX th. Finance Commissions provided Rs. 1300 lakh. Notice the variations in the unit cost of construction- from Rs. 25,000- to Rs. 48,000 to Rs.75000 and from there now to Rs. 1,35,212. The variation of this range is simply baffling. Has the cost of building materials quadrupled within a decade? The SDP deflator in West Bengal has shown below 2 times increase. In view of this, one can safely conjure that the cost of building materials has not increased four times. Is the unit cost under estimated and the funds provided on that basis in sufficient? Is it because of cumbersome way of financing this component? Why can't the funds required for this purpose also be earmarked and be made relatively more directly the central government's responsibility? These are the directions for the redressel of the funding mechanism of construction activity under OB scheme.

School Buildings: Reflections from School Survey:

The school survey which was conducted in Midnapure ad Jalpaigeeri revealed the following:

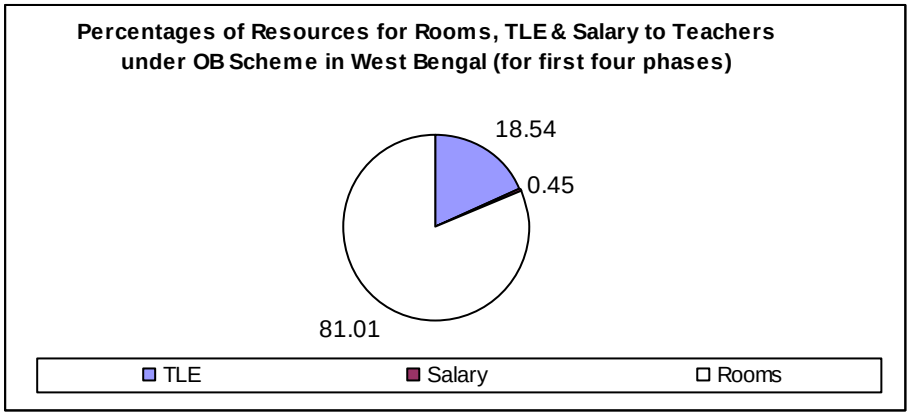
Table –1

School Survey results of OB Schools West Bengal

State	West Bengal					% out of sample of 40 schools
District	Jalpaiguri	Jalpaiguri	Midnapure	Midnapur	Total	
Block	Mayanagari	Rajganj	Daspur	Midnapur		
Separate room for H-Teacher	7	7	7	4	25	63%
Separate Toilet for Girls	2	2	2	0	6	15%
Separate Toilet for Boys	3	1	1	0	5	13%
Common Toilet	1	2	5	0	8	20%
Drinking Water Facility	9	6	6	9	30	75%
Electricity	0	0	0	0	0	0%

Source: CMDR survey.

From the table we can note that toilets were not satisfactorily available and our field investigators has also reported the low grade quality of buildings as well as dearth of school room in some of the villages. The picture in the table can only be improved if due attention is paid to the issues discussed in the above paragraphs.



Since the inception of the scheme from 1987 onwards the scheme is aiming at providing three components of the scheme namely rooms, teachers and TLE. 81.01 per cent was towards construction of school rooms, 0.45 per cent for the supply of TLE and 18.54 per cent was for the salary expenditure of additional teachers recruited during the first four phases.

Financing Additional Teachers:

Table –1

Release and utilization of funds under the scheme of operation Black Board 1987-88 to 1998-99.

Release and utilization of Teacher Salary (Rs. Lakhs)

Year	Released	Utilized
1987-88	0.00	0.00
1988-89	17.44	17.44
1989-90	0.00	0.00
1990-91	0.00	0.00
1991-92	3.62	3.62
1992-93 to 1998-99	0.00	0.00
Total	21.06	21.06

Source: Department of Education, Govt of West Bengal

As per the information contained in the table, out of 12 years only during 2 years 1989-90 and 1991-92, salary amount was released and spent. The amount of Rs. 21.06 lakh was not even

half a percent (0.4%) of the total amount released. It barely accounted for 0.6% of the total amount utilized. This amounts to almost 100% of the funds released and utilized were for TLE component. Why was such a negligible amount spent on this component? Does it reveal a true picture? Were there no single-teacher schools? For the state as a whole the number of teachers per primary and upper primary school is as shown below.

Table – 2

Number of Teachers per school

Year	Primary Schools (I-IV)	Upper Primary Schools (V-VI)
1987-88	1:3.8	1:7
1990-91	1:3.1	1:6
1991-92	1:3.1	1:6
1997-98	1:2.9	1:8.5
1998-99	1:2.9	1:8.7

Source: Department of Education, Govt. of West Bengal

On average at the primary level there is no single teacher school. However, 3.8 teacher per school in 1987-88 fell to 3.1 in 1991-92 and further to 2.9 in 1998-99. It means that in primary schools where the enrolment of students exceeds 100, the need for third teacher arises. This is not to be taken as the total absence of single teacher schools. Between 1988-89 to 1993-94, 1679 posts were sanctioned in single teacher primary schools accounting for roughly 4% of total primary schools during this period. Out of this 1213 posts could not be filled up because of an interim stay order of the court. Stay order was vacated in stages and hence the appointment o teacher was also in stages. Of these sanctioned posts (1679), only 143 posts were filled up. Salary expenditure of Rs. 17.44 lakhs during 1988-89 was probably for these teachers only. In that case, teacher salary in that year was Rs. 1016 per month. This is one part of the story. Another interesting part of the episode is the recruitment of teachers without claiming expenditure. The claim was registered by the state government as late as in 1999-2000 for the 405 additional teachers appointed at the upper primary level during 1996-99 (Rs.400.47 lakh) and for 8186 posts of third teacher in primary schools enrolling more than 100 students (Rs. 3329.44 lakh) out of these posts, 3750 were not filled until November 1999. A request for the release of total of Rs. 3730 lakhs was made but turned down as appointment dates were not mentioned in the request letter. Thus, though teachers were recruited but release was delayed as the state government sought post facts approval of the funds. So far the amount is releasd. This is the reason for so little expenditure on teacher salary and that tool only for 2 years. This is, in

reality, not a true picture. On the basis of request for the release of funds of the appointment of third teacher in primary schools, the average salary per month works out to Rs. 3389 now which was just Rs. 1016 a decade before.

The average salary per month of a teacher in upper primary school of Rs.8240 is comparatively quite high-more than two times that of a primary school teacher. What is the fun in sanctioning 100 primary schools and creation of 5250 posts of teachers during 1997-98 when the real picture was as gloomy as depicted above? The claim for expenditure incurred on teacher salary in 1987-88 was made in 1999-2000.

In the absence of adequate school buildings and class-room facilities the state government's apathy towards the recruitment of third teacher and post facto claim of funds for salary expenditure is understandable. But this reflects poor educational planning.

This raises doubt about the credibility of survey conducted by the concerned state to identify the needs of schools. In a messy and uncertain situation like this, it is too much to expect higher level of efficiency and effectiveness of resources invested- the price West Bengal state has paid for not taking these two components as a package. Probably, the effectiveness of the third component namely teaching-learning equipment (TLE) might have suffered in the process.

Financing and supply of TLE:

OB scheme in West Bengal has been TLE dominated- at least in terms of money released and spent. The picture would have been taken to recruit teachers as per requirement. The scheme was extended to upper primary schools in March 1988-89 to 1992-93, the amount spent on TLE was for providing TLE to primary schools. The amount provided was fully utilized during each year. The country wise uniform unit cost of TLE laid down is Rs. 7215/-. According to state valuation, it works out to Rs. 8567.44 on the other hand, the approved unit cost was Rs.6,765 but the cost in the state was Rs. 168.18 lakh(at Rs.7215/- per school) for TLE for 2331 schools was not sufficient. The picture is really confusing. It is rather difficult to ay actually at what unit cost TLE is supplied to a school. The following exercise carried out by us is intended to clarify the scene.

If the amount of Rs. 1106.76 lakhs provided and spent during 1989-90 to 1992-93 at the unit cost of Rs. 7215/-, number of primary schools covered would work out to 15340. in fact, number of schools identified for coverage was 11139. The amount of 1107 lakh when divided by 11139 schools, the unit cost of TTLE worked out to Rs. 9936/-. This is for above the uniform unit cost (Rs.7215) and also above the unit cost (Rs.8100-8557) calculated by the state officials. What is the sanctity of these cost calculation. They lead us no where and undoubtedly a glaring example of total lack of financial management of resources. To overcome this problem, procurement procedure different from the current one needs to be devised.

At what unit cost TLE is procured for upper primary schools? 3156 upper primary schools were identified for coverage under this component at the time of expanded phase in March 1994. During 1997-98 at a unit cost of Rs.40, 000/- per school Rs.118 lakhs were released for the provision of TLE to 295 schools out of 3156. The official table shows the release of Rs. 203.82 lakhs- the entire amount remained unspent. Of the remaining 2861 schools, 503 were upgraded to high schools, leaving 2358 upper primary schools to be covered urgently. The proposal for 1341 non-tribal and 1012 tribal schools (combined 2353 schools) at a respective unit cost of Rs.40, 000 and Rs. 50,000 was submitted in1989-99 and accepted on the stipulation that Rs. 10,000 per school was to be raised by the state through **community participation** for non-tribal areas. The amount released was Rs.1042.40 lakh in 1998-99 but surprisingly the total amount again remained un-utilized. This amount is expected to be spent during 1999-2000. Again, the term community participation calls for an explanation.

The funny part is though schools were identified for the supply of TLE in March 1994, the amount was released after a gap of full three years (1994-95,1995-96 and 1996-97 no release, no expenditure and event then the amount could not be utilized. The question is: what has happened to the release of Rs.2987.30 lakhs in 1993-94 of which Rs.2426.65 lakhs were spent? Was this amount utilized for the supply of TLE to upper primary schools? In that case, the unit cost works out to Rs.92 to 95,000 (Rs.2987.30 lakhs ÷2648 schools). This range of unit cost is twice the unit cost of Rs. 40-50 thousand employed to cover 2648 schools (295 during 1997-98 and 2353 during 1998-99). What is the justification for providing TLE to primary schools at a unit cost of Rs.7215/- and to upper primary schools at a Rs. 40-50 thousand? The latter is6 to 7

times the former. Have teaching learning items for upper primary schools become so costly within a decade? Or are they basically different items than those supplied to primary schools?

In this way, the TLE component seems to have met the same fate as the other two components. The entire OB scheme in West Bengal is in disarray. West Bengal is a classic case of high literacy rate **a proxy for human resource development and least efficient management of resources devoted to OB.** The overall cost effectiveness of resources is bound to be quite low. This again highlights the lack of vision in not treating three component as one unified policy package and the lack of wisdom in extending the scheme to upper primary schools when the base itself is not sufficiently strengthened.

The factual position with regard to TLE supply to the schools which was obtained from our survey is presented below. The findings reflect to some extent our bottlenecks faced in the procurement and supply of TLE materials to the schools.

State	**West Bengal**					% out of sample of 40 schools
District	Jalpaiguri	Jalpaiguri	Midnapur	Midnapur	Total	
Block	Mayangiri	Rajganj	Daspur	Midnapur		
Information about OB scheme						
Know TLE material supply under OB	8	9	10	10	37	93%
Storage Facility	5	6	8	3	22	55%
Satisfied with content of TLE	6	6	5	8	25	63%
Procurement & Delivery procedure	7	8	8	10	33	83%
Availability of TLE/Material						
Teaching Guide: science	8	9	7	10	34	85%
Teaching Guide: Maths	9	8	10	10	37	93%
Teaching Guide: Social studies	7	8	10	10	35	88%
Maps: District	9	10	9	10	38	95%
Maps: state	10	10	9	10	39	98%
Maps: Nation	10	9	8	10	37	93%
Maps: world	8	9	4	8	29	73%
Charts	10	8	8	10	36	90%
Sports equipments	10	10	10	10	40	100%
Library Books	10	10	10	10	40	100%
Mini Tool Kits	10	9	10	4	33	83%
Primary Science Kit	10	10	10	9	39	98%
Mathematics Kit	9	9	10	9	37	93%

Concluding observations

The management and monitoring of the scheme level much to be desired in West Bengal.

Identification of needs with respect to all the three components is done in a halfhearted way. For instance, it is presumed that out of 6000 schoolrooms constructed only 20% account for OB blocks. At one place it is stated that 146 primary schools have not got buildings of the OBB standards. According to 6th all India Educational Survey, 11614 and 11860 schools respectively have one and two rooms. These schools form 44% of the total number of primary schools in the state. Further the unit cost variation-Rs. 25,000 to Rs. 48,000 and further to Rs.75, 000 and from that to Rs.1.35 lakhs is simply baffling. Has the cost of building material quadrupled with in a decade? If the price of building material has risen as fast as the SDP deflator, the cost of construction should have more or less doubled.

It is unbelievable that Rs.21 lakhs were spent on the recruitment of teachers during the whole decade. Another interesting part of the whole episode is recruitment of teachers without claiming expenditure incurred. The state has sought post facto approval.

Coming to the third component viz., TLE, it was found that the cost at which TLE was supplied to primary schools is anybody's guess. The funny part is though the schools were identified for the supply of TLE in March 1994, the amount was released after a gap of full three years, which was also not fully utilized.

West Bengal is a classic case of high literacy rate- a proxy for human resource development- and least efficient management of resources devoted to the OB scheme. This is the price the state has paid for not treating three components as one unified policy package.

Chapter – IX

Operation Blackboard Scheme in Perspective

Section I.

Introduction:

Why was OB Scheme Launched? To accelerate the pace of universalisation of elementary education and retention, particularly in backward and remote areas. It is a known fact that disparities in schooling facilities between rural and urban areas do exist and are more inadequate and even absent relatively in rural areas. So, by making provision and improvement of facilities in rural areas under the scheme, a concerted effort is being made to remove one major hurdle in the way of strengthening the base of the education system as a whole, i.e., primary education. And to broad base the participation in the process of human capital formation.

The formulation of the scheme has rightly focused on three crucial and related aspects of facilities for achieving the objective of the scheme. They are: construction of school buildings and class rooms, provision of additional teachers along with training under the scheme and procurement and supply of teaching learning equipments (TLE). As a policy package these three components of the scheme are expected to improve the quality of education by better classroom performance.

This is a centrally sponsored scheme, where state governments are also involved. The funds provided under the scheme for the three components are for raising the level of facilities and ultimately for improving the student teacher performance.

In a study focusing on the financial management of the scheme, the following aspects need to be evaluated.

1. The flow of funds, component wise.
2. The flow of funds as per needs surveyed separately for each of these components.
3. Adequacy or otherwise of funds provided.
4. Utilization, underutilization and overutilisation of funds sanctioned and released.

5. Whether the facilities have been created as per specifications laid down under the scheme.
6. Proper reporting of financial data with sources and gaps in such reporting.
7. Whether it has made any impact on school performance in a cost effective manner.

In chapters for seven selected states as far as possible we have made an attempt to carefully evaluate these aspects. In the pages to follow we propose to highlight briefly the important findings of our analysis.

Section II. Funding of the three components of the OB scheme

1. Construction of school Buildings and Class Rooms.

Funding of this component does not fall within the preview of the Department of Education, Ministry of HRD. Funds are drawn from various centrally sponsored schemes especially by the Ministry of Rural Areas and Employment, such as NREP, RLEGP and JRY. 48 percent of the funds are provided by the concerned ministry on the condition that the state raises 40% non-JRY and 12% JRY state's share. Finance commissions also make provision of funds for this component. Land for the construction is to be provided by the local community, which also is responsible for maintenance and repairs. Thus, it partakes the nature of multi-source financing, and is based on the principle of cost sharing. Fifty percent of money sanctioned is released at the time of construction to be done by the District Rural Development Agency (DRDA) or Public Works Department (PWD) by inviting tenders. Classrooms should be all-weather rooms approximately of 30 sq meter having verandah of 9-10 ft depth. It is also stipulated that the provision of separate toilets for boys and girls should be created alongside the construction of school building and classrooms. This is the traditional and bureaucratic approach followed for this component within the education sector.

Needs for additional school buildings and class rooms were identified on the basis of information as on30th Sept 1986 contained in Fifth All India educational Survey (AIES), conducted by the NCERT.

Our analysis of the funding of this component has brought to fore that there is inbuilt uncertainty regarding the provision of funds to be drawn from various sources. The principle of cost sharing is adopted to generate adequate resources for this activity. However, our analysis has shown that the construction work has been delayed because of paucity of funds and their uncertainty. The cost escalation i.e., the difference between the estimated unit cost (cost per school building or room) and the actual cost, is caused by, along with other factors the price rise in building materials. Price rise has a time element which explains the longer time taken in construction than the stipulated one. Probably this explains why the reporting of expenditure data varies and incomplete. The significant phase wise variation in unit cost with respect to Rajasthan bears testimony to our observation. For West Bengal, the analysis done was based on the information culled out from communications at the governmental levels i.e., center and states. Number of rooms constructed under OB out of total, was just presumed. No expenditure data for this component are available in Tamil Nadu and the number of rooms constructed given by the state and MHRD is poles apart. Because of paucity of funds the construction of some rooms identified for coverage under OB was transferred to some other scheme namely Border Area Scheme in the state of Punjab. In the same state, the state government has sent proposal to NABARD for funds towards construction of classrooms. We have also observed for Karnataka that the share of the completed rooms in relation to the rooms identified for construction has been falling from phase to phase because of the cost escalation, which indirectly amounts to inadequate generation of funds for this component moreover, it is also observed that the requirements of funds estimated by the Education Department and Collectorate office has shown wide variation. For example, in the state of Rajasthan, as against the required amount of Rs.88.40 lakhs for the construction of 112 primary school buildings and 67 lavatories, the amount provided was Rs. 35.36 lakhs. As per the prevailing market rates the estimate made was Rs.125 lakhs. Classroom construction grants under Finance Commission are temporarily diverted to non-educational head. For example, in the case of M.P., an order has bee passed for the diversion of funds meant for classroom construction to promotion of rural technology. The extent of incomplete task is quite large and even with unutilized funds when put to use the situation is not going to improve much. This means that there is a need for mobilization of extra funds. In its absence, cost escalation needs to be contained. The extension of the scheme to upper primary level under this situation does not seem to be a wise step.

The rooms constructed do not seem to have followed the stipulations laid down particularly regarding the toilet facilities.

As result of what has been said above about the funding of this component, the amount sanctioned, released and spent is not clubbed with that of the other two components of the scheme. In this way coherent picture of funding of the entire OBB scheme since its inception is taking.

The questions for further probing are:

1. What is the rationale for funding this component from various sources? Why is cost-sharing approach adopted? Can't the fund for construction be earmarked? (Say some percentage of JRY funds). When provision of land and the maintenance and repairs of school building rooms is the responsibility of the community and Village Education Committee, (VEC). Why can't the community (say for instance parent-teacher Associations or land donors or some such cohesive group) be involved together with DRDA or PWD to make this activity more accountable, transparent and less time consuming? Financial Management, when decentralized, may give more mileage out of given resources.

2. Funding of Additional Teachers Recruited

The presence of single teacher elementary schools for a long period has definitely come in the way of the goal of Universalisation of Elementary Education (UEE). The need for the recruitment of second teacher has long been left. Under the OB scheme it has been decided to convert single teacher schools into two teacher schools, along with the construction of additional classrooms. At the same time, in the expanded phase of the scheme, appointment of the third teacher in a primary school enrolling more than 100 students is also proposed. To attract the enrollment of girls, it is also proposed that of the two additional teachers appointed as far as possible one should be a lady teacher. Teachers appointed should be competent enough to make productive use of teaching-learning equipments (TLE) to be supplied to schools under the scheme. For this purpose, teachers appointed under OB scheme have to undergo compulsory training acquainting them with the use and handling of such equipments. Training of teachers under OB scheme then is an integral part of this component.

Financial provision during a plan period for the teachers recruited is to be made by the central government. With the completion of a given Five Year Plan, the expenditure under this head takes the form of non-plan expenditure, and thus becomes a states' responsibility. Even then, it can continue as plan expenditure if the state shows this expenditure in its next plan for plan assistance from the central government. Otherwise the state will have to wait for a long period of five years for the award of Finance Commission. Alternately the financial burden falls on the state in the form of non-plan expenditure. The distinction between OB/Non-OB teachers, which was made once, now is not in vogue mainly to overcome this plan-non-plan tangle by the states in their own interest.

Unlike the component of school buildings and classrooms, there is no salary cost sharing and the funds required are earmarked. The number of single teacher schools identified was based on the V AIES of NCERT. In all the selected states single teacher schools were in existence, though its proportion varies. Information about the flow of funds- sanctioned, released and spent is available phase wise/year wise so long as second teacher was appointed in single teacher schools. Later on when in its expanded phase (appointment of third teacher in primary schools enrolling more than 100 students) and extended phase (when additional teachers are appointed at the upper primary level) and even when expenditure becomes non-plan (committed), the said information is not properly reported. For instance, in West Bengal the amount released and utilized was available only for two years since the inception of the scheme. Similarly, for Tamil Nadu and Punjab also after the initial first four phases it seems, no funds have flown from the center to states for four to five years. Once the new plan is to start or new Finance Commission is to be appointed these state might have placed their demand for plan assistance or for non-plan expenditure as plan expenditure to claim plan assistance. Thus, the salary expenditure seems to have continued as plan expenditure. Because of this practice the recruitment of teachers in some states has got affected and the single teacher schools have continued to be on the scene. For Madhya Pradesh , the number of teacher posts sanctioned was given phase wise (first four phases), but the number appointed was only for the first phase, other phases showing no recruitment. However, phase wise amount released and utilized is shown. This amount during the plan period seems to have been spent on teachers recruited in the first phase. The sanctioned posts thus remains unfilled and claim for plan assistance for posts filled up earlier might have

been made along with the demand for plan assistance to recruit sanctioned number of teachers when the new plan is due to begin. There are also instances where the amount released was lower than the amount approved and this one again lower than the amount demanded. Is the need for additional teachers wrongly estimated? Whatever may be the reason for the cut in amount approved and release in relation to that demand, one thing is clear that it is going to hamper the drive for recruitment of teachers.

West Bengal offers a contrasting picture of recruitment of teachers without claiming expenditure. It has sought post facto approval of funds.

Recruitment was delayed also because of (a) ban on recruitment (economy drive by the state government); (b) stay order by the court; (c) requests for funds being turned down by the state for not mentioning appointment dates in their request letters; and (d) usual procedural delays. All said and done, this has slowed down the progress on this front also. Judicious deployment of resources, then, is out of question.

Whether teachers recruited under OB scheme have been imparted training in using and handling TLE is difficult to evaluate. The number of teachers trained for exceeds the number appointed. This number probably reflects the number of trained primary school teachers to total over a period of time. Even teachers themselves and school head masters have their own doubts about the relevance and usefulness of training. Since it adds to states financial burden, they themselves do not appear to have taken its provision seriously. With respect to Madhya Pradesh, it is observed that since teachers are not trained they feel diffident to handle TLE and the suitcase containing the TLE is permanently kept under lock. They are also concerned about the risk of wrong use. This has really caused the financial loss in the ultimate analysis of the effectiveness of the scheme.

However, there are shining examples also. For instance Goa, in case of Goa, a small and prosperous progressive state, no deviation is noticed between the amount released and utilized, the phenomenon of single teacher schools is history now, around 1200 teachers have been trained, and the male-female teacher ratio of 1:1.8 is as per stipulation. Goa has fared relatively

better in respect of both these components. (Schools buildings and classroom construction and appointment of teachers) consequently, the average enrolment of SC/ST students in OB schools to total SC/ST enrolment of 50 percent during 1987-88 to 1990-91 was higher at 56% during 1992-93 to 1998-99.

Physical targets have been achieved in Rajasthan and Karnataka also. But the basic issue is the extension of this component in particular ad OB scheme in general to upper primary level. So long as the phenomenon of single teacher school is not totally removed from the scene and pupil-teacher ratio at the primary stage is much below the norm of 35 to 40 students, this extension will not serve the purpose of UEE and retention. This amounts to spreading limited resources too thinly to maximize the gains.

3. Teaching Learning Equipment

The last component of the scheme namely Teaching Learning Equipment (TLE) is as important as the first two components.

Looking to the large number of schools identified for the coverage under this component means that the level of deficiency is quite high. A very tentative parameter to understand the extent of TLE deficiency is to compare the amount released for meeting teacher salary cost and the amount for covering TLE cost. Out of seven selected states, in five the amount released for TLE has far exceeded the amount released for salary. Even at the all India level also the amount released for TLE has turned out to be as high as that for salary. Unfortunately the extent of utilization of TLE amount released has turned out to be relatively low. High level of deficiency and low level of utilization begs a question., why has this happened? Has it anything to do with the procurement and delivery system? Our discourse with state and district level officials and also from the field notes of our investigators, it is observed that the mechanism adopted for procurement and delivery is largely responsible for this unfortunate state of affairs.

The second important issue in case of TLE is the uniform TLE cost laid down. What is the logic of prescribing uniform unit cost? Can it be taken as the ceiling beyond which no increase in TLE unit is permitted? If variation in the range of 1 to 5% is allowed then it is to be taken as a guideline for estimating the total amount required for the supply of TLE to the schools. Keeping in mind the regional variation in price of TLE and the time taken for

procurement and delivery, it is better to provide cost (money) for TLE purchase to schools to economies on both money and time. This is how decentralized financial management may be put into practice.

Again, the unit cost of Rs. 40,000 for general areas and Rs. 50,000 for tribal areas have been laid down when the scheme was extended to the upper primary schools. Does it mean that the materials to be supplied to such schools cost so much? This is six to seven times the cost of TLE for primary schools. Assuming that the cost escalation should be as high as the increase in SDP deflator, then the average unit cost of TLE should have gone up by slightly above two times. That is in the range of Rs. 15,000 to 20,000. This is just one half of the prescribed cost of Rs. 40,000 to Rs. 50,000. With respect to TLE, at least in this one area of financial management namely costing, the promoters of the scheme have to give a deep thought.

About the content and quality of TLE supplied nobody seems to be happy. Not only the money released was not fully utilized, even after the supply of TLE they have not been effectively put to use. Because of this double under utilization of money as well as material, the cost effectiveness has further reduced, which in any case amounts to a financial loss.

The Operation Blackboard Scheme was launched with pious intention, of bringing primarily schools particularly to a threshold level of facilities in terms of school buildings and classrooms, teachers and teaching learning materials. The scheme was spread to all parts of the country, instead of confining to a few really needy and deserving areas. This has remained as one of our weaknesses in tackling the problems. Looking to the resource constraints on an experimental basis few districts of some states should have been selected. On the basis of our experience in stages the scheme could have been extended to other areas. This would have given better control over funds spent on the scheme and expected results would have been achieved. The limited resources have been so thinly spread that the achievements have turned out to be below our expectations. However, it is too much to blame or to single out financial management of any scheme for its shortcomings and poor results. Non-financial factors such as political interference, institutional barriers and motivation and morale of persons involved are equally relevant.

Schemes like OB have long-term consequences so the main prerequisite for the OB scheme is through identification of needs. Who should identify needs, should this task be assigned to a national level organization? For this scheme it was so. The needs identified were based on V AIES carried out by NCERT. Certain states have also conducted surveys in their blocks to identify their requirements. We just can't say what weightage is given to surveys conducted by the states in the scheme. Since the scheme intends to brings schools in the remote and backward areas to a certain level of minimum facilities, local persons such as Head Teachers and other schoolteachers and other voluntary groups to identify their needs suited to their local conditions. A scheme based on formula funding cannot ignore local participation at its own peril. In case of Goa the need for school buildings and classrooms does not seem to have been properly assessed. Otherwise as high as 40% of such need could not have been wrongly identified. When the needs are properly identified then only the fulfillment of needs can be easily related to school performance on teaching learning outcome.

Then the next step is to estimate the requirements of funds. The variation in estimated cost on the basis of needs identified and the actual cost, and the latter invariably higher than the former poses many problems of funding, particularly of mobilizing additional financial resources than sanctioned. This has happened with respect to the funding of the construction of school buildings and classrooms. For a special scheme of OB type the delays of all types-implementation, procedural-prove costly. We have followed the same traditional and bureaucratic approach of funding this plan scheme. This funding mechanism is no way different from the funding of Non-OB Schools or from any other plan scheme. It has no separate identity of its own though three components were rightly viewed interdependent for the success of the scheme. All inbuilt hurdles, uncertainties and lacunas found in the traditional bureaucratic management of finances have percolated to the OB scheme. In this context the issue of cost escalation assumes importance. In case of TLE the uniform cost of Rs. 7215 is laid down to supply TLE to primary schools with little reliance on market for the purchase of TLE. Can this be treated as ceiling? It is found that in some states the state officials were ready to supply TLE at a lower cost. In some other states the cost was much higher than the one laid down. When the scheme was extended to upper primary level the cost laid down was as high as Rs.40, 000 to Rs.

50,000 – six to seven times the cost of TLE to primary schools. This cost variation is difficult to justify when the level of TLE facility in general is supposed to be higher than at the lower primary level. Again the same question raised earlier of proper identification of needs becomes relevant. The danger is when the uniform cost has not acted as a ceiling (upper limit). At the upper primary level also the cost may cross the upper limit.

Funds for the component of school buildings and classroom construction are drawn from various sources. The funds are not earmarked. The major capital cost namely land, since it is to be provided by community, one should have a clear idea of what the term 'community' stands for. Does it cannote 'land donors' only? Who is the community in this context? Is the land to be donated for this purpose ' a common property resource'? Where is the stake of community in the endeavor to upgrade the level of school facilities and school performance? If its stake is high, then why not to involve, community more intimately in the whole process? Let the principle of decentralized financial management be followed by transferring more resources in ' money' form than in 'kind' form. Even in case of TLE also the involvement of community is stressed. For example, it is stipulated that Rs. 10,000/- per school to be raised by the state through community participation for non-tribal areas. Again the question of interpretation of the term community stands.

In case of funding teacher salary cost, the plan/non-plan expenditure tangle is observed. Non-plan expenditure is being shown as plan expenditure for plan assistance. Since there is no monitoring of assistance awarded by the Finance Commissions, there is temptation to divert funds for the activities other than for which funds are awarded. Further, funds for the construction of school buildings and classrooms come from various sources, the concerned Education Department is apathetic to maintain records of expenditure on construction. Continuity of expenditure data is lacking and shows erratic behavior also. Above are some of the disturbing areas for research on financial management of this scheme.

The issue of utilization under utilization over utilization and non-utilization crops up at this stage. Though we may not hold responsible fully the funding procedure followed for this issue the state wise analysis and from our talks with state officials and also from field notes it

becomes evidently clear that for better mileage out of resources so far invested, the funding mechanism requires overhauling. Cent percent utilization simply connotes full utilization of money sanctioned and coverage of schools and appointment of teachers as per target. This is too narrow an interpretation of utilization term. It should rightly be interpreted as resources to achieve the given ends/objectives.

What kind of alternative financial management will deliver the goods as per our expectations? Alternative financial management should be less time consuming, transparent, decentralized and cost effective. How can such a system be evolved? It is contended that such a funding mechanism can be employed by transferring more resources to the gross root level in 'money' and not in 'kind', in a decentralized and transparent manner. Such formula funding scheme has to be routed where resources are to be deployed. The empowerment committee is not at all represented by teachers, Headmaster, parents and other local persons. Integrating educational and financial decisions calls for their active involvements. Can such an innovative formula funding scheme be implemented effectively? Any change will definitely be opposed by the interested parties supporting status quo. But on an experiment base such steps have to be taken.

We have to add a qualification to the whole philosophy of financial management explained above. The question financial management is not so much about the amount sanctioned and amount remaining unutilized. There are more pertinent questions such as.

1. Whether the state sector alone can handle all the problems of elementary educational facilities and provide adequate financial support on a continuing basis for a long period of time?
2. Whether the physical facilities have any logical linkage with enrolment propensity, attendance propensity, probability of retention and promotion in elementary education? From some of the statistical studies attempted by us in this connection, we have reached a conclusion that the linkage between the two is not strong enough to justify the philosophy behind the OB scheme. The more crucial variables determining the enrolment and the retention propensities are not so much the facilities and financial flows to ensure the facilities, but the commitment of the system including the teachers, head teacher, school

administration, parents and the general environment of a learning society. In this context the flexible approach being adopted by M.P. government and the government of India with regard to the various norms of expenditures for the three components of OB is cited. In the organizational parlance, human capital has two problems one is that of low motivation and the other one is that of low morale. Can the financial management of any organization be improved by the involvement of social capital having common interests and high commitment? Experiment and wait for the results.

In the organizational parlance, there are two things to worry about human capital. One is motivation and the other is morale. This, to an extent, owes to the encouragement of top-down planning (or nurturing top down culture) evident in the organization of the OBB scheme in the form of the Empowerment Committee. The need of the hour is the replacement of top-down culture by value creation culture, that is, deriving more mileage out of given resources, (in the sense of socio-economic value added), by aligning the interests of various stack holders such as parents, teachers, NGOs, occupational groups, land donors, etc. let us create cohesive and strong communities based on mutual self-help and trust facilitating collective action against the bane of illiteracy which through OBB and other plan schemes, in the framework of top-down culture, we have been making rather none to encouraging efforts. For better results we have to actively inform the community consisting of the users and beneficiaries of development funds in the entire decision making process unlike the current practice of side lining the community. This amounts to harnessing positive social capital by providing funds and authority to communities (three articles on the social capital theory- an idea whose time has come-by Swaminathan S. Anklesaria Aiyer in the Times of India, 28th May, 4th and 11th June, 2000). There is every thing to gain and nothing to lose by ushering, on an experimental basis, this long felt change in the financial management of plan schemes. What about forming a trust comprising the state government, corporate sector, local persons and NGOs for imbibing value culture?