

**GOVERNMENT OF INDIA
HUMAN RESOURCE DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:1713
ANSWERED ON:03.12.2014
EXPENDITURE ON EDUCATION
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Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:

- (a) whether the Government is considering to raise public spending in education to at least 6% of the GDP;
- (b) if so, the details thereof;
- (c) the amount/percentage of GDP proposed to be spent on primary and secondary education sectors;
- (d) whether the Government proposes to introduce a cess on all central taxes to finance the commitment to universalize access to quality basic education; and
- (e) if so, the amount of financial assistance proposed to be given to each State particularly to Maharashtra for the above purpose?

Answer

MINISTER OF HUMAN RESOURCE DEVELOPMENT (SMT. SMRITI ZUBIN IRANI)

(a) to (c): National Policy on Education, 1968, as modified in 1992, has laid down that the investment on education be gradually increased to reach a level of 6% of the National Income as early as possible. As per the latest available data for the year 2012-13 (provisional), public expenditure on education as percentage of GDP is 4.29% out of which 1.80% is on elementary education and 1.05% is on secondary education sector.

(d) & (e): An Education Cess @ 2% of Central Taxes was imposed in 2004 to augment resource for elementary education. A separate dedicated non lapsable fund called Prarambhik Shiksha Kosh has been created to receive proceeds of Education Cess. An additional cess of 1% on Central Taxes was levied with effect from the financial year 2007-08 to fund secondary and higher education. Unlike Prarambhik Shiksha Kosh, there is no separate pool for collecting the proceeds generated from additional 1% cess on secondary and higher education. Therefore, only Gross Budgetary Support (GBS) is provided for secondary and higher education and no separate allocation is made from the fund generated from cess of 1%. Fund is released to every state, including Maharashtra, after assessing its performance in each scheme and its requirement and capacity to absorb the fund.