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The EFFICACY OF PUBLIC EXPENDITURE ON QUALITY OF ELEMENTARY EDUCATION IN BIHAR

Md Atif Alam,

- 1) Ph.D. Scholar, Centre for Studies in Economics and Planning, School of Social Sciences, Central University of Gujarat, Gandhinagar-382030, Gujarat, Phone No.-+919801315693, Email-atif.alam1994@gmail.com

Prof. Sarita Agrawal,

- 2) Chairperson, Centre for Studies in Economics and Planning, School of Social Sciences, Central University of Gujarat, Gandhinagar-382030, Gujarat, Phone No.- +918160571799, Email- sarita.agrawal@cug.ac.in

Abstract

The present paper attempts to shift the debate from quantity to quality of educational outcomes of elementary education in Bihar. Further, as per the NITI Aayog Bihar's educational quality index is placed at the second-last position, and it has not changed from 2015-16 to 2016-17. However, to measure the educational outcomes, proxy variables such as (Number of government elementary schools, Enrollment number in government elementary schools, Infrastructure availability, Number of Teachers, Incentives, Transition rate, and repetition rate) have been highlighted in this paper to measure the quality of elementary education. To evaluate the educational outcomes, secondary data was extracted from MHRD (Ministry of Human Resource Development), RBI (Reserve Bank of India), and DISE (District Information System for Education). Further, the timeline is taken from 2002-03 to 2015-16 because in 2001, Sarva Shiksha Abhiyan was implemented. The study employed simple mathematical and statistical tools to get desired results which served the purpose of the study. The result implied that the share of Gross State Domestic Product hovered around 3 percent, which has an impact on educational outcomes. Therefore, the study has the potential to pinpoint the problems that affect the quality of elementary education in Bihar.

Keywords: Public Spending, Quality Education, Elementary Schools, Bihar

INTRODUCTION

Public expenditure is the requirement for human capital development. However, the human development index is a composite index that includes three variables life expectancy, per capita income, and education. This study is focused on 'Education,' an essential element of constructing the human development index.

Even though only one aspect of the human capital development index is considered in this study but education has a profound effect on economic growth, particularly in developing countries. While Adam Smith also recognizes the effectiveness of education for economic growth in his theory of Moral Sentiments and other writings (Thomas, 2017). However, ample studies such as Barro, Mankiw, Romer, and Weil also demonstrate that education has a significant role in economic growth (T, 2018). Moreover, studies also indicate that education plays a vital role in economic development (Afzal, Farooq, Ahmad, Begum, & Quddus, 2010).

Despite the utmost importance of public expenditure on education, countries like India never achieved the 6 percent of GDP as recommended by the Kothari Committee (1996). Moreover, it