

A Political Economy of Education in India: II: The Case of UP

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# A Political Economy of Education in India – II

## The Case of UP

*The paper explores the political economy factors that influenced the evolution of educational institutions and shaped the legislation that now governs the education sector in UP. The study focuses on the extent of and reasons for teachers' participation in politics, the evolution and activities of their unions, the size of their representation in the state legislature and the link between these and other factors such as the enactment of particular education acts in UP, teacher salaries and appointments, and the extent of centralisation in the management of schools. It attempts to draw out implications for the functioning of schools.*

*The first part of this paper looked at the role of teacher's associations and their evolution as a powerful political pressure group in UP. The second part now analyses the impact the teacher's associations have had on the system of finances in UP, and its impact on general educational levels in the state. Even as strikes, demonstrations, sit-ins in support of more emoluments and benefits have become powerful tools in the hands of these associations, schools see a large degree of absenteeism and apathy towards students, while the state government remains unable to meet non-salary expenditure.*

[The paper has been published in two parts, this being the second part. The first part appeared last week.]

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### Politics of Educational Finance

The present system of financing of education in UP is based to a large extent on state support in the form of grants-in-aid to privately managed educational institutions, particularly at the secondary level of education. The main responsibility for funding primary education is meant to lie with local bodies. This pattern of financing has its roots in the recommendations of the Wood's Educational Despatch of 1854 and subsequently the Indian Education Commission of 1882.

The state government directly supports institutions that are under its own control, the most important being government secondary schools (rajkiya madhyamik vidyalaya) and government degree colleges. It also provides grants-in-aid to the so-called private aided educational institutions. Local bodies managed and funded most primary schools until the early 1970s. However, after the legislation of the Basic Education Act of 1972, the local body/zilla parishad schools were brought under the state government's direct control – or at least taken away from being under the

control of local bodies in the sense that their teachers were thenceforth going to be paid directly by the state government exchequer rather than through the local bodies. From the point of view of the payment of their salaries, they are directly under state government funded schools but from the point of view of administration, they are under the local bodies. This is the reason that the state government does not treat them as government educational institutions even though almost their entire funding comes from the state government in the form of teacher salaries. Even today official published education statistics refer to them as local body schools.<sup>13</sup>

Therefore, primary schools run by local bodies are not treated as government schools for purposes of allocation of funds in the state budget. At the secondary level, expenditure on private aided schools accounted for 76.1 per cent of total government expenditure for the year 1996-97 and at the higher education level the corresponding figure was 63.3 per cent.

Table 7 shows that at the secondary level of education, the largest majority of schools is of the private aided type but at the pre-

secondary level, the role of the government schools is dominant. The table also shows that the proportionate share of private unaided, i.e., fee charging schools, more than doubled in the 15 years between 1978 and 1993. However, it should be noted that the private unaided schools that appear in official statistics are only those that have official 'recognition'. Since private schools that do not seek grants need not register or apply for government recognition, there is no way of knowing their numbers and they do not appear in the official education statistics. Kingdon (1996c) has shown that unrecognised private schools exist almost entirely at the primary level of education only and that the effect of their omission from the All-India Education Surveys is to seriously skew the education statistics – giving the erroneous impression that primary school education is largely state-supported.<sup>14</sup>

Since private aided schools predominate (relatively) at the secondary level, the proportion of state educational expenditure in the form of grants to aided private schools is large – 76 per cent (1997-98).

The decision as to which private schools

will get grants is not based on any well defined principles or objective criteria. Though many procedural norms have been laid down by the state government for regulating grants, ultimately it is only political pulls and pressures that determine the allocation of grants-in-aid to educational institutions in UP.<sup>15</sup> Initially it is the political pressure and strong lobbying from the teachers of a particular recognised private school which plays the decisive role in forcing the government to include it on the grants-in-aid list; and once an institution is included in the aid list, it becomes the responsibility of the government to maintain it as an aided school.

The teacher unions, and particularly the MSS, have almost always included the demand in their agenda that more private unaided schools be brought on to the grants-in-aid list of the government. They have achieved success in their efforts.<sup>16</sup> For example, between 1984 and 1991, 681 junior and 298 secondary PUA schools were made private aided (GOUP, *Shiksha Ki Pragati*, various years). During the financial year 1995-96, as many as 200 private unaided primary and secondary schools were included in the grants in aid list (GOUP, Uttar Pradesh Annual 1995-96). Bringing unaided schools – that run entirely on fee revenue – on to the aided list has large financial implications for the government.

The politics of grants-in-aid is related with private aided schools and it is in these institutions that the political activities of teachers are the most pronounced.

There are obvious drawbacks to the politicisation of grants-in-aid. If teacher politicians or teacher union leaders help a private school to gain aided status – by bringing political pressure to bear on its behalf – the teachers in that school feel indebted to their political patrons for their ‘services’ and ‘favours’, i.e., for the fact that they helped the school gain recognition and/or aid. These indebted teachers support the political activities of the union/teacher leader that helped them. This mutual back-rubbing undermines the maintenance of academic standards because the institution receiving these grants use their facilities, teacher time, and even students to support the political ends of the teacher union leaders that helped them. Another reason why gaining aided status is inimical to the maintenance of academic standards is that there is a loss of local accountability when an unaided school becomes aided, since its teachers do not feel as accountable to their private managers and parents of pupils any more.

The system of grants-in-aid to educational institutions has remained the same as introduced by the British government in India in the 1880s. By contrast, the British system of grants underwent revolutionary changes and became more objective particularly since the 1920s. The present system of parliamentary grants to local authorities in the UK incorporates educational indicators. The formula for the distribution of grants incorporates over a dozen factors: such as the area’s total population, number of children over five years of age, persons over 65, primary and nursery school age children, secondary school age children, further education age persons, university awards, school meals served, and local development indicators such as density of persons per mile of road, density of persons per acre, long term decline in population, and the mileage of non-trunk roads and principal roads [Muzammil 1989: chapter 4]. This type of a rational approach to grants for education has been totally absent in India. Indian states having larger responsibility (far greater than the private share in financing education), failed to emulate the modern British system of grants in aid to education. These are still based on the conventional pattern created by the British government in India.

The Japanese experience with grants-in-aid is also interesting to note because of the incentive-structure built into the grant formula: Japan imposed restrictions on enrolment as the state subsidy to private schools was linked to the number of enrolments. The sanctioned grant to be available to any school was to be multiplied by the ratio of authorised enrolments and actual enrolments of the school. Thus more enrolment was a penalty. Yet most schools continued to accept more students than the allowed quota because the marginal costs were small and additional tuition fee far exceeded the loss of subsidy [James and Benjamin 1988].

Despite certain rules and conditions, the system of grants-in-aid in UP is not linked with the qualitative performance of schools. Even when the criterion of examination performance of the schools was included, the pass rate was fixed at a paltry 45 per cent. The same is true with regard to the number of working days.

The following observation of Rudolph and Rudolph (1972: 105) with regard to flouting the conditions of grants-in-aid still holds good: “these grants in aid are technically conditioned upon the maintenance of certain academic and administra-

tive standards, but in reality an educational entrepreneur who enjoys political favour has little difficulty in establishing his institution’s qualification”. Susanne Rudolph further points out that the condition for founding and maintenance institutions are probably less onerous in UP than in at least some other state with stronger administrative and political traditions [Rudolph and Rudolph 1972].

Grants to private aided schools account for a very substantial proportion of the education budget in UP – about 70 per cent and 80 per cent of the higher and secondary education budgets in UP respectively [Muzammil 1989: 179-80, GOUP 1992a: 30] but, at present, they are largely devoid of performance conditions or incentives. How and what incentives can be built into grants is an area that deserves detailed study. Such research could be based on an examination of the alternative grant structures in other countries. For example, a structure may be desirable which relates grant levels to various school performance indicators such as percentage of total expenses spent on non-salary costs (to encourage quality improvements), percentage of total funds raised from non-fee sources such as parental donations (to encourage equitable resource-generation), percentage of parents who are satisfied with the school (to encourage accountability), and average number of students per class (to encourage cost-consciousness), etc. A more rational grant structure could be a policy correction that has potentially the biggest pay-offs in terms of improved cost-efficiency in UP education [Kingdon 1994].

### Effect of Teacher Union Lobbying

Political pressures by teachers unions have led to more and more private unaided (i.e., fee-charging) junior and secondary schools being brought on to the grants-in-aid list of the GOUP, something which greatly increases the financial burden on the state without leading to any increase in the overall number of students or teachers. This is because all that happens when a private unaided (i.e., fee-charging) school is brought onto the aided list is that an existing private school stops charging fees and its teachers begin to get paid by the government treasury rather than out of fee revenues. Kingdon (1996b) has argued that the practice of bringing private unaided schools onto the grant-in-aid list is inimical both to equity and to efficiency.

Before a private unaided school is brought onto the state grant-in-aid list, its students paid a fee that covered the full cost of the running of that school. In other words, they were relatively well-off children who were willing and able to pay for their education. The teacher salaries and all other costs of the school were met out of the fee revenues. When brought onto the state government's aided list, the school becomes almost entirely government-funded and its nature changes dramatically: it stops charging tuition fee (government-funded education is meant to be free of tuition-fee until class 12 – i.e. until children are aged about 18); its teachers begin to be paid government salary scales directly from the state government treasury; and the role of the private management of the school is minimised in the sense that teachers are no longer so accountable to the local private manager or to parents because their salaries now come directly from the state government [Kingdon 1996b]. This is clearly perverse from the point of view of equity in the distribution of state educational subsidy because relatively well-off students who previously chose a fee-paying school are targeted for subsidy. Moreover, it is perverse from the point of view of efficiency as well because there is evidence that private unaided schools are more effective in helping their students to learn than aided schools [Kingdon 1996a]. This may be partly because teachers in unaided schools are accountable to and closely monitored by their school managers and by fee-paying parents. Once an unaided school is brought on to the aided list, its teachers cannot effectively be monitored or disciplined by their managers as their salaries now come from the state government treasury, and they are apt to be more negligent.

Thus, lobbying for unaided schools to be brought on to the aided list is detrimental both for equity and efficiency and it suggests that teachers' interests are pursued in preference to the interests of the efficient and equitable distribution of scarce state educational resources.

It seems that there is no strong lobbying for primary schools to be brought on the grants-in-aid list in UP. This appears to be partly because primary teachers' unions are not so well connected politically, as has been discussed previously, though it is also partly because few private primary schools are recognised.<sup>17</sup>

In sum, private aided schools depend almost entirely on state grants, more than

95 per cent of which usually go to finance teacher salaries. That is the reason why politics plays an important role in the allocation of educational grants in UP. These grants ideally need to be linked with the quality of education in order to provide aided schools with incentives to become more effective. Moreover, we have noted that the practice of bringing unaided private schools on to the state government's aided-school list is both inefficient and inequitable.

### Teacher Appointments and Service Benefits

Teachers in private aided schools have long been concerned about fairness in their appointments/dismissals and about improving their service benefits. They have campaigned long to achieve their goals. In an interview to the authors in January 1997, Rampal Singh, general secretary of the UP primary teachers' union, explained that teachers were discontent in the 1960s because their appointment procedures were faulty and arbitrary, because teachers in aided school did not get adequate, just and timely salaries, and because there was no cross-district consistency in the service conditions of teachers [Singh 1997]. From 1968-69 onwards, teachers campaigned in particular for the establishment of a Secondary Education Service Commission and a Basic Education Board.

As stated earlier in the paper, teachers' organised lobbying for centralised state government management (rather than by local bodies or by private managements) started yielding results in the early 1970s when two far-reaching education Acts were passed: the Basic Education Act 1972 – which brought all local body schools directly under state government control – and the Salary Disbursement Act 1971 – which brought the teachers of all private aided schools directly under the state government's remit. The effect of these Acts was to greatly improve teachers' job security, to hugely centralise educational management in the state and, thereby, to diminish the local accountability of teachers. The enforcement of these Acts and the creation of the Basic Education Board substantially weakened the influence of local bodies and of private managements in basic education. The state government's authority was strengthened.

Other important Acts have been the UP Basic Education Staff Rules of 1973, the UP Recognised Basic School Rules, 1978, and the UP Secondary Education (Service

Commission) Act 1982. This last was legislated by the GOUP in 1982 and it was favourable to the private aided secondary teachers since it stipulated that the selection of teachers in UP would now be made by the Secondary Education Services Commission – seen as fairer than private managers. Under the Intermediate Education Act 1921, the private management of a school was authorised to impose punishment with the approval of the district inspector of schools (DIOS) in matters pertaining to disciplinary action. Teachers argued that this provision was arbitrary in cases where the management proposed to impose the punishment of dismissal, removal or reduction in rank. Therefore it was considered necessary that this power should be exercised subject to the prior approval of the Secondary Education Service Commission or the Selection Boards, as the case may be, which would function as an independent and impartial body.

The many concessions won by teachers regarding appointments, emoluments, promotion and service conditions<sup>18</sup> of teachers in primary and secondary schools by way of the above Acts can be regarded as the achievements of their agitations and political lobbying. They were transferred from the sometimes exploitative control of the private management and local bodies to the 'generous' supervision of the state government through various beneficial rules and legislations enacted by the state government during the decades of 1970s and 1980s.

The various educational acts and rules of the UP government have been promulgated almost invariably in direct response to teacher demands and the effect has been to (i) centralise the procedures for the selection and recruitment of teaching staff and (ii) to eradicate private managers and local bodies' authority in disciplining errant teachers by means such as punishment, dismissal, or demotion in rank, thus greatly reducing teachers' local answerability.

### Increases in Teacher Salaries

It would be interesting and instructive to examine whether teacher unions achieved success by the following two yardsticks: firstly, whether they made real gains in salary and secondly whether they increased their share of total state educational expenditure. We compare the rate of increase in the salary of teachers in UP with the rate of increase in prices, to see whether real salaries have changed much

over time, and scrutinise the change in the share of salaries in total education spending over time.

The rate of price rise is measured through the All India Consumer Price Index (CPI) which is used for determining the announcement of D A, etc. The details of the pay scales of teachers of various categories and the CPI are given in Table 8a. The salaries presented are the minimum at the basic pay scale, exclusive of dearness allowance. Since the salaries shown are inflation proofed via the dearness allowance, we assume that they represent teachers' real salaries.

Table 8a shows that until about 1970, the rate of increase in teachers' basic salary (in real terms) was relatively low. For example, the annual rate of increase in the real pay of high school headmasters between 1960 and 1969 was only 1 per cent. Of the five categories of teachers shown in the table, the maximum benefit accrued to CT grade teachers whose basic pay went up from Rs 75 (per month) in 1960-61 to Rs 4,250 in 1995-96, representing a growth of 12.2 per cent per annum. The lowest increase was recorded in the salary of headmasters of high schools, which has gone up from Rs 225 in 1960-61 to Rs 6,500 in 1995-96, giving a still huge real growth of 10.1 per cent per annum. The basic salary of CT grade teachers grew at a rate of 12.1 per cent per annum between 1985 and 1995. This is higher than the real rate of growth of salaries of elementary school teachers between 1985-1990 estimated by Dréze and Sen (1995b: 122) who find that between 1980 and 1990 alone UP teachers' salaries rose by 9 per cent per year in real terms, i.e., a doubling in just 10 years rather than from 1960 to 1995.<sup>19</sup>

However, it is possible that inflation-proofing via the so-called dearness allowance does not compensate adequately for price rises. Thus, we assume a more pessimistic scenario for teachers, namely, that the basic salary figures reported in Table 8a are not real but entirely nominal, though it is likely that in doing so, we are deflating teachers salaries by the CPI twice. Table 8b is based on the assumption of nominality, and it shows that teachers' real salaries increased at an annual percentage rate of approximately 4 to 5 per cent over the 22-year period 1973 to 1995, a still spectacular rate of growth over a long period of time which may be taken as a rough indicator of the success with which teachers and their unions have lobbied the government for pecuniary gains. It is likely that the actual annual growth of real salaries

was somewhere between those shown in Tables 8a and 8b.

Another indication of the success of teachers in winning financial victories is if teachers win increases in the share of salary expenditure as a proportion of total educational expenditure, i.e., manage to squeeze out the share of other heads of educational expenditure. The government of India itself notes [GOI 1985a: 25]: "more than 90 per cent of the expenditure – in some states even more than 98 per cent

– is spent on teachers' salaries and administration. Practically nothing is available to buy a blackboard and chalks, let alone charts, other inexpensive teaching aids or even pitchers for drinking water." Certain non-UP micro-studies have found similarly, for example, Tilak and Bhatt in Tilak's (1992) study of school costs in Haryana state which shows (p 130) that salary costs account for between 96.2 per cent (in secondary) and 99.0 per cent (in primary) of total recurrent unit costs. The authors

**Table 7: Distribution of Schools by Management-type and Level, UP**

	Primary		Junior		Secondary		Total	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
<b>1978</b>								
G	64552	94.8	7689	63.8	724	14.9	72965	85.8
PA	1046	1.5	1241	10.3	3847	79.0	6134	7.2
PUA	2524	3.7	3119	25.9	298	6.1	5941	7.0
Total	68122	100.0	12049	100.0	4869	100.0	85040	100.0
<b>1993</b>								
G	75387	87.1	10922	57.1	1558	22.8	87867	78.1
PA	1266	1.5	1816	9.5	4446	64.9	7528	6.7
PUA	9886	11.4	6376	33.4	840	12.3	17102	15.2
Total	86539	100.0	19114	100.0	6844	100.0	112497	100.0

Note: Only recognised schools are included in published official statistics.

Source: GOUP (1982) "UP Report of the Fourth All-India Education Survey 1978-79", Table 47, pp 383-84. NCERT (1998) "Sixth All-India Education Survey: National Tables Volume II", Table IS2, pp 5-12.

**Table 8a: Teachers' Salary and the Price Index in UP**  
(Pay in Rs)

Year	Principal Intermediate	Head Master High School	Assistant Teacher Intermediate	Trained Graduate Teacher High School	CT Grade Teacher	CPI 1960 = 100
1960-61	250 (..)	225 (..)	175 (..)	120 (..)	75 (..)	100 (..)
1969-70	275 (10)	247 (7)	215 (23)	135 (15)	100 (33)	180 (80)
1971-72	500 (100)	400 (78)	365 (109)	300 (150)	220 (193)	192 (92)
1973-74	550 (120)	450 (100)	400 (129)	300 (150)	250 (233)	250 (150)
1975-76	850 (240)	770 (242)	650 (271)	450 (275)	450 (500)	313 (213)
1985-86	2200 (780)	2000 (789)	1600 (814)	1400 (1067)	1350 (1700)	620 (520)
1995-96	8000 (3100)	6500 (2789)	5500 (3043)	4500 (3650)	4250 (5567)	1542 (1442)
Rate of Annual percentage increase	10.4	10.1	10.4	10.9	12.2	8.1

Note: The salaries presented here are the minimum at the basic pay scale, exclusive of dearness allowance. Figures in brackets show the percentage increase over 1960-61.

**Table 8b: Teachers' Salary and the Price Index in UP**  
(Pay in Rs)

Year	Principal Inter College		Head Master High School		Assistant Teacher Inter College		T G Teacher High School		CT Grade Teacher		CPI 1960=100
	Nom	Real	Nom	Real	Nom	Real	Nom	Real	Nom	Real	
1960-61	250	250	225	225	175	175	120	120	75	75	100
1969-70	275	153	247	137	215	119	138	77	100	56	180
1971-72	500	260	400	208	365	190	300	156	220	115	192
1973-74	550	220	450	180	400	160	300	120	250	100	250
1975-76	850	272	770	246	650	208	450	144	450	144	313
1985-86	2200	355	2000	323	1600	258	1400	226	1350	217	620
1995-96	8000	519	6500	422	5500	357	4500	292	4250	276	1542
Annual percentage increase	73-95		4.0		3.9		3.7		4.1		4.7

Note: The above amounts of pay are the minimum at the basic pay scale exclusive of DA.

conclude (p 165) that a “negligible proportion of total recurring costs are incurred on items other than the salaries of teachers”. Aggarwal (1985: 86) calculates that expenditure on staff salary accounts for 93.5 per cent of total expenditure in G schools, 94.0 per cent in private aided schools and 87.7 per cent in PUA schools in his sample of secondary schools in New Delhi.

Yet, research suggests that teacher salaries have no significant influence on student achievement but that other forms of educational expenditure does. For example, in 72 developing country studies, the factors that boosted student achievement most were: (i) instructional materials; (ii) length of the weekly instructional programme, (iii) school library activity, and (iv) teacher training at tertiary level etc. [Fuller 1986]. Teacher salaries did not significantly affect student achievement in the majority of the studies. Similar findings were obtained in a survey of 147 developed-country studies [Hanushek 1986, 1996]. For the state of UP, Kingdon (1996) found similarly to Fuller and Hanushek – namely that teacher salaries had no significant impact on student achievement after controlling for student and household characteristics, but that school resources, instructional time, and quality of teacher’s education did significantly improve student learning.

The first column of Table 9 shows that recurrent expenditure as a percentage of total expenditure has increased monotonically over time and that, by 1987-88, virtually the whole of government educational expenditure was devoted to recurrent expenditures – which include mainly salaries but does not include equipment, furniture, buildings, maintenance, or other durable resources. Moreover, salaries have made significant inroads into total recurrent expenditure as well: the share of salaries in total recurrent expenditure has increased

secularly over time in the case of each of primary, junior, and secondary education. In secondary education, the share of non-salary expenses fell from 27.7 per cent to a mere 9.3 per cent, between roughly 1960 and 1987; Between 1960 and 1981, the equivalent share in junior education fell from 14.9 per cent to a mere 6.2 per cent and in primary education from 12.1 per cent to a paltry 3.3 per cent. These figures seem to provide a very plausible gauge of the increasing power of teachers and their organisations. However, they point attention to the unfortunate fact that as a result of this success, expenditure which has great educational merit has been progressively squeezed out: studies worldwide (cited above) show that increases in salary expenditures are not associated with improvements in student achievement but that increasing school resources and teaching materials and lengthening the instructional programme are.

### Conclusions

We started this paper with reference to the significance of education for economic growth and social progress. We set ourselves the task of exploring the relationship, if any, between teachers, politics, and education, and of investigating the extent to which teachers’ politicisation has influenced the evolution of educational legislation and of educational structures in UP.

The paper has documented evidence of significant political penetration by teachers. This is so particularly in the case of teachers of private aided secondary schools, which constitute the main bulk of all secondary schools. This politicisation of teachers appears to have been helped by a constitutional provision for their reserved representation in the upper house of the state legislature and by the fact that they are not debarred from contesting for

election to the lower house of the state legislature. Capitalising on this special status, their representation has gradually become sizeable in the lower house as well. Thus, teachers of the private aided educational institutions in UP can significantly influence the legislative activities of the government. Their lobbying has gradually become stronger and has earned them substantial economic gains from the GOUP. It would be naive to think that the politicisation of the main actors in the education sector – namely teachers – has been without effect on functioning of school education in UP. There is widespread concern about the deleterious effects of teacher politics on the progress of the education sector in UP.

We have argued in this paper that the political identities of teachers are stronger than those of any other group drawing salaries directly from the public exchequer. Since they form a separate electoral college to elect their representatives to the legislative council, their political motivations are well made. It is a commonplace observation that teachers’ frequent political activities have converted educational institutions into what is popularly called a ‘rajnaitik akhara’ (political boxing-ring).

Teachers’ politicisation – in the sense of their active participation in their union activities and the fact that their union activities are directed or supported by professional teacher politicians who are MLCs, MLAs and ministers in government – has been linked to the poor performance of school education in India. For example, the National Commission on Teachers states that “the most important factor responsible for vitiating the atmosphere in schools, we were told, has been the role of teacher politicians and teachers’ organisations”. [NCT 1986: 68].

In view of the negative aspects of teachers’ political activities, which are frequently brought into public focus in the media, they have often been advised to mend their ways and become constructive, through exhortations such as: “teachers’ associations should play an important role in increasing the professional honesty and dignity of teachers and in restraining professional misconduct. The National Federation of Teachers can prepare a professional code of conduct for teachers” [Agnihotri 1987: 282].<sup>20</sup>

The influence of teacher MLCs, MLAs and ministers on education policy-making has been substantial in UP. When teachers were education ministers, they influenced education policy in the state in a direct

**Table 9: Salary Expenditure as a Proportion of Total Expenditure**

Year	Recurrent as a Percentage of Total Educational Expenditure	Salary as a Percentage of Total Recurrent Educational Expenditure		
		Primary	Junior	Secondary
1960-61	74.7	87.9	85.1	72.3
1965-66	79.4	90.7	89.2	75.3
1969-70	85.0	92.3	90.4	85.6
1974-75	87.1	96.6	94.3	87.1
1981-82	94.8	96.7	93.8	89.9
1987-88	97.3	NA	NA	90.7

*Note:* The figures published for the year 1987-88 for primary and junior education levels are not comparable with figures published in previous years because for 1987-88, non-teaching staff salaries have been lumped together with the item ‘other’ giving the implausibly low figures of 94.0 per cent and 91.6 per cent for primary and junior education respectively. Note that prior to 1960-61, expenditure information in published documents is not presented by item of expenditure (salaries, consumables, others, etc) but rather by expenditure on boys’ schools and expenditure on girls’ schools, etc, or expenditure by source.

*Source:* GOI, Education in India, various years.

way. For example, during 1998, Nepal Singh and Ravindra Shukla – teacher ministers and the former also a MLC from the graduate constituency elected in 1998 – ordered the revision of history books of the secondary classes and a committee was formed for the books to be revised because the BJP government in UP wanted to promote Hinduism.

The evolution of educational finance policy in UP appears to have been heavily influenced by the demands of teachers. There are many indications to suggest this. For example, private aided school teachers – aggrieved partly by the corrupt practices of the managers of their schools – lobbied hard in the late 1960s for salary disbursement directly from the government treasury. Their agitation of November–December 1968 lasted for 45 days, with 20 thousand teachers being sent to jails and most of the educational institutions in the state being closed. The result was the Salary Distribution Act of 1971 whereby the state government undertook to pay the full salaries of all aided school teachers, a measure which was only a little short of nationalising aided schools. Local body school teachers had also campaigned hard for the removal of interdistrict disparity in matters such as pay, service conditions and appointments, calling effectively for state government takeover. This resulted in the momentous UP Basic Education Act of 1972, whereby the state government brought all primary and junior local body schools under direct state government control. These Acts in UP (and similar Acts in other states) represented a massive centralisation of educational management.

The fact that the Salary Disbursement Act 1971 and the Basic Education Act 1972 – arguably the most important educational legislations in UP – came about immediately after periods of intense strikes by teachers, suggests that educational legislation in UP has come about as a reaction to protests rather than being based on well-conceived principles of efficiency and equity. The measures legislated, i.e., the actual content of these Acts, had the effect of increasing job security and salaries of private aided and local body school teachers, but at the same time, they greatly centralised the administration and management of schools. The effect was to all but remove teachers' accountability to their local managers and local bodies. This abandonment of local accountability is likely to have had an adverse effect on the functioning of schools. Since the school manager or local body cannot sack a

shirking teacher, and have virtually no discretion to penalise errant teachers, there is an incentive to shirk.

The well-documented lax attitudes of many teachers towards their schools and students have resulted not only from their loss of local accountability, but also from the strength and influence of their unions. Union-backed teachers do not fear adverse repercussions on slackness in their work. There is support for this notion in the report of the National Commission on Teachers which notes that "some of the principals deposing before it (i.e., before the commission) lamented that they had no powers over teachers and were not in a position to enforce order and discipline. Nor did the district inspectors of schools and other officials exercise any authority over them as the erring teachers were often supported by powerful teachers' associations. We were told that there was no assessment of a teacher's academic and other work and that teachers were virtually unaccountable to anybody" [NCT 1986: 68]. It seems the knowledge that powerful unions protect them encourages teachers to be bold and allows them to get away with behaviour that is privately profitable but less than ethical, such as absenteeism, late arrival and early departure from school, compelling their students to take paid home tuitions from them for a private fee, etc.

Teachers' participation in politics also has a direct adverse effect on the functioning of schools: it keeps them away from schools because they are engaged in union/political activities. Evidence presented here and discussions with knowledgeable persons suggest that teachers are mobilised by their leaders for agitation in one form or another every year and their strikes are frequent and often very prolonged. Consequently, teaching suffers adversely. While no estimates are available of the number or proportion of teachers that directly contest elections, we estimated crudely that 90 per cent of the teachers of state-funded secondary schools are members of the secondary teachers' union. Information is also available on the approximate numbers of teachers that were involved in strikes during particular episodes. Evidence presented showed a very high degree of participation by teachers in protest action<sup>21</sup> and suggests that a substantial amount of teaching time must be lost for a large number of teachers in most years in union related activities such as pen-down strikes, mass casual leaves, pickets and sit-ins, demonstrations, and jail terms, etc. Moreover, teacher MLAs

and MLCs continue in their teaching posts which are often not filled by replacement teachers; thus leading to a loss of teaching activity – although, here, only a small number of teachers are involved. Teacher union leaders and teacher MLAs and MLCs continue to draw their teacher salaries (plus their MLA/MLC salary) for the full term of political office, though they do not teach during this period. These financial resources could arguably be better spent in other ways.

The report of the National Commission on Teachers (NCT: 1986) levels the following three criticisms at teacher unions: firstly that there is too much politicisation in the teachers organisations; secondly that there has been too much proliferation of such organisations and it would be a good thing if their numbers could be reduced substantially; and thirdly that teachers' organisations have not paid enough attention to the intellectual and professional improvement of their members.

Teachers' undue involvement in politics and the fact that they campaign within secondary schools (often during election time) may have the effect of diluting the educational environment of the schools. The fact that teachers in private aided schools have been at the forefront of political activity among all teachers is important in the light of recent arguments for educational voucher type schemes in India, which would probably utilise private aided schools.

It is not plausible to attribute the poor functioning of the school education system in India to the single cause, namely the politicisation of private aided secondary school teachers.<sup>22</sup> The extreme paucity of resources and of even simple teaching materials; decrepit or disintegrating school buildings; and lack of even basic facilities such as drinking water and toilets, must surely create a disempowering environment for teachers and students, especially in primary schools where such problems loom larger than in secondary schools. However, it could be argued that this state of affairs has come about because of two important factors: (i) education is not a political issue with the electorate at large, as Dréze and Sen (1995) have argued, so that successive governments have given it a low priority in funding allocations and (ii) because politically influential teachers and their unions have campaigned singularly for their own financial betterment and not for the improvement of school facilities, etc, more generally. Any financial capacity of the state to increase educa-

tional resources has been fully tapped by teachers for themselves and no parents or children's lobby exists to demand greater allocations to school non-salary expenses.

There is a substantial Indian and international body of literature which finds that school inputs boost students' achievement while increases in teacher salaries do not. Studies cited earlier show that in a review of 72 developing country studies and 147 developed country studies, increases in teacher salaries did not have an impact on student achievement levels in the majority of the studies. The 72 developing country studies [Fuller 1986] and Kingdon's (1996) study on UP suggested, however, that other inputs such as school resources, instructional materials, school infrastructure, longer school days, etc, did significantly improve student learning. Unfortunately, teacher unions in UP have never lobbied for increased resources, better infrastructure, or longer school days. Our investigations corroborate the finding of the National Commission on Teachers that "the main preoccupation of teachers' organisations particularly since independence has been with the improvement of salary and service conditions of teachers. And in this they have achieved considerable success" [NCT 1986: 73].

Between 1960 and 1981, the share of non-salary expenditure in total educational expenditure fell from about 28 per cent to 10 per cent in secondary education, from 15 per cent to 6 per cent in junior education, and from 12 per cent to a mere 3 per cent in primary education. The fact that the share of non-salary expenditures in total educational expenditure has been so considerably squeezed out by inroads made by salary expenses is indeed sad because it has been persuasively argued that these other expenditures have greater educational merit. The political economy reasons for this phenomenon – namely that government-funded schools now spend only a tiny fraction of their total expenditure on non-personnel costs – are well articulated in Mathew's (1990) study of secondary education in Kerala: he observes that while militantly unionised teachers exert strong pressure on the state government to increase their salaries, no lobby or pressure group exists to demand government grants for non-salary school expenses.

It is not surprising then that the National Commission on Teachers [NCT 1986: 71] makes the impassioned appeal "we must draw attention...to the need to promote actively parents' organisations all over the country. At present there are hardly any

organisations interested in providing good education to their children. We feel that such organisations are desperately needed to promote and safeguard the educational interests of their wards and to counteract the negative and unhealthy political pre-occupations of some teachers and their organisations".

Forming a trade union is a legitimate worker right in any democratic society and campaigning for better salaries and service conditions is one of the main legitimate purposes of worker unions, including teachers' unions. However, this paper has presented evidence which shows how teachers' political clout has made it difficult for the government to deal impartially with teacher demands, and the consequences of this.

This paper has attempted to examine the political economy factors that impinge on the school education sector in Uttar Pradesh. We have presented evidence based on imperfect data that are available currently. It is hoped that better data both on UP and for other states will stimulate more detailed future research and also permit an examination of the extent to which the conclusions reached here are generalisable to other states. [27]

## Notes

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13 Kingdon (1994) reports that in her survey of upper primary schools in Lucknow city in 1991, many teachers of municipality schools said that their schools were in a parlous and neglected condition because they 'fell between two stools': they were effectively funded by one source and 'owned' and managed by another. This divorce of ownership and financial control has been detrimental to their development.

14 Kingdon (1996c) cites evidence from sample surveys suggesting that the fee-charging private unaided school sector (recognised and unrecognised together) absorbs a very much higher proportion of the school-going 6-11 year olds than that suggested by the official statistics (27 per cent in rural UP and up to 86 per cent in urban UP). On other biases in education statistics, see Dréze and Kingdon (1998).

15 To be eligible for aid, a private unaided school must be recognised and, to be eligible for recognition, a private unaided school must be a registered society, have an owned rather than a rented building, employ only trained teachers, pay salaries to staff according to government prescribed norms, have classrooms of a specified minimum size and charge only government-set fee rates. It must also instruct

in the official language of the state and deposit a sum of money in the endowment and reserve funds of the education department. A recent condition for recognition of a private school is that it must not be situated within 5 kilometres of a government school. Kingdon (1994) notes that many aided schools do not actually fulfil all the conditions of recognition. In other words, they obtained their aided status via political influence which enabled them to bypass the eligibility criteria.

16 See later in the paper for a discussion of the perverse equity and efficiency effects of bringing unaided schools on to the aided list. A World Bank country study on social services in India (World Bank 1989, p128-29) finds it a puzzling feature that there appear to be "large leakages in public educational expenditures" because although expenditure has risen greatly, the number of schools and teachers has not risen much. Our investigations can confirm that this puzzle is at least partly accounted for by the policy to make private unaided schools aided. When a private unaided school becomes aided, the overall number of students and teachers remains unchanged but government education expenditure increases, and well-off students start receiving educational subsidies. It appears that government education spending has leaked because increased expenditure does not result in any increases in the number of students or teachers.

17 The state considers it its own responsibility to provide primary education and so is reluctant to recognise the thousands of private primary schools that exist in UP. Since such schools are not recognised and they are not required to be registered, they do not appear in the official education statistics, which give the gravely erroneous impression of the role of private fee-charging institutions in primary education in UP (Kingdon, 1996b). For example, official statistics show that in 1986 only 8.5 per cent of all children were enrolled in rural primary and junior schools were attending private unaided schools (GOUP, 1991). By contrast, a recent household survey showed that in 1994, 27.2 per cent of all 6-14 year olds were attending private fee-charging schools in rural UP (Shariff, 1996). A survey of Lucknow city found that in 1995, 86 per cent of all school-going 6-11 year olds were attending private fee-charging schools in Lucknow city in UP.

18 Such as parity (with government employees) in triple benefit scheme, DA, house rent allowance, bonus, gratuity, etc.

19 Dréze and Sen's (D&S) calculations are not directly comparable with ours (M&K) for several reasons: firstly, D&S's figures are for India as a whole; M&K's for UP only; secondly, D&S's figures relate to all elementary school teachers; M&K's figures are for CT grade teachers; D&S's figures are calculated by dividing total expenditure on elementary schools by the number of elementary teachers, a procedure which is valid since salary expenses account for 96-98 per cent of the total expenses of elementary schools; M&K's figures are the actual pay scales of CT grade teachers.

20 Some analysts believe that "the office bearers of the unions themselves lead the most corrupt life. Their posts are the most secure" (Agarwal, 1985 p 425).

21 For example, during a particularly stormy period of union lobbying in 1968, about 20,000 demonstrating teachers were sent to jail, the agitation lasted for about 45 days, and most



educational institutions in the state were closed for this period. In another episode in August 1964 about 10,000 teachers demonstrated and in February 1965, about 30,000 teachers demonstrated to lobby for their demands. On November 5, 1985, about 80,000 teachers took mass casual leave and 2 days later, on November 7, some 40,000 teachers demonstrated in Lucknow. In January 1992, about 10,000 teachers participated in a sit-in (picket) in Lucknow.

- 22 There is a tendency, in many educational debates in India, to blame poor educational performance on single causes. For instance, the failure of a large proportion of rural children to participate in schooling or to complete primary schooling has often been attributed to poverty and the consequent need for child labour. Yet, Dréze and Kingdon (2000) who empirically examine the determinants of children's schooling participation in rural north India find that there are many different factors that determine schooling participation and primary school completion, as discussed early in the paper.

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