

**GOVERNMENT OF INDIA
MINISTRY OF HUMAN RESOURCE DEVELOPMENT
DEPARTMENT OF HIGHER EDUCATION**

**LOK SABHA
UNSTARRED QUESTION NO. 5942
TO BE ANSWERED ON 10.04.2017**

Education Expenses in Terms of GDP

5942. SHRI MD. BADARUDDOZA KHAN:

Will the Minister of HUMAN RESOURCE be pleased to state:

- (a) whether it is a fact that Government has not yet been able to spend six per cent of Gross Domestic Product (GDP) on education in the country;
- (b) if so, the percentage of GDP spent on education during the last three years; and
- (c) the steps taken/ being taken by the Government to ensure at least six per cent of GDP is spent on education during the current year?

A N S W E R

MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT

(DR. MAHENDRA NATH PANDEY)

(a) to (c): As per publication 'Analysis of Budgeted Expenditure on Education - 2015' of Ministry of Human Resource Development, public expenditure on higher education as a percentage of Gross Domestic Product (GDP) for the year 2011-12, 2012-13 and 2013-14 is 3.98%, 4.35% and 4.44% respectively.

Government has accorded high priority to Education Sector. During XII Five Year Plan, the Plan Outlay of Ministry of Human Resource Development is Rs.4,53,728 crore (Rs.3,43,028 crore for the Department of School Education & Literacy and Rs.1,10,700 crore for the Department of Higher Education) as compared to actual expenditure in XI Five year Plan which was Rs.1,77,549.76 crore (Rs.1,37,902.94 crore for the Department of School Education & Literacy and Rs.39,646.82 crore for the Department of Higher Education). This is an increase of about 2.56 times. This increase in Central Plan Outlay for Education Sector presents a determined effort on the part of Central Government for raising public spending on Education.

Recently, the Government has approved the proposal for setting up the Higher Education Financing Agency (HEFA) for financing creation of required infrastructure and for promotion of research facilities in the centrally aided institutions of higher learning by leveraging funds from the market. The Government would provide an equity of Rs. 1,000 Crore. The loans would be serviced from the internal accruals of these institutions, and the Government would meet the cost of interest on such loans. With the devolution of more funds to the States as recommended by the 14th Finance Commission, States are in position to prioritize allocation of funds to education sector.
