

Sectoral Paper- Education – Uttar Pradesh

1. Introduction

The aim of education is enabling creative self-expression through physical, mental, aesthetic and moral development, which in turn contributes to the growth of the economy.

The major provisions in Constitution of India with respect to Education are as follows.

1. Article 21-A (Eighty-sixth Amendment) Act, 2002- State is mandated to provide free and compulsory education of all children in the age group of six to fourteen years as a Fundamental Right.
2. Article 46- The state shall promote with special care the educational and economic interests of the weaker sections of the people and in particular, of the schedule castes and the Scheduled Tribes, and shall protect them from social injustice and all forms of exploitation.
3. Article 29- Education of minorities, protection of interests of minorities

The education sector in India is poised to witness major growth in the years to come as India will have the world's largest tertiary-age population and second largest graduate talent pipeline globally by the end of 2020.

2. Major Policies of Government of India on Education

a. Goal 4 of Sustainable Development Goals on Education prescribes to ensure equitable inclusive and quality education along with promotion of lifelong learning opportunities for all by 2030.

In view of the same, "Samagra Shiksha", an integrated Scheme on School Education by subsuming Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA) and Teacher Education (TE) was approved by GoI. It now includes provisions for support at preschool level, library grants, grants for sports and physical equipment also.

b. New National Education Policy is envisaged to bring major changes in both school and higher education, better governance systems and greater focus on research and innovation.

c. GOI has introduced RISE (Revitalizing Infrastructure and Education) Scheme in 2018. The scheme, with an outlay of Rs. 1 lakh crore, aims at increasing investments in research and related infrastructure in premier educational institutions by 2022.

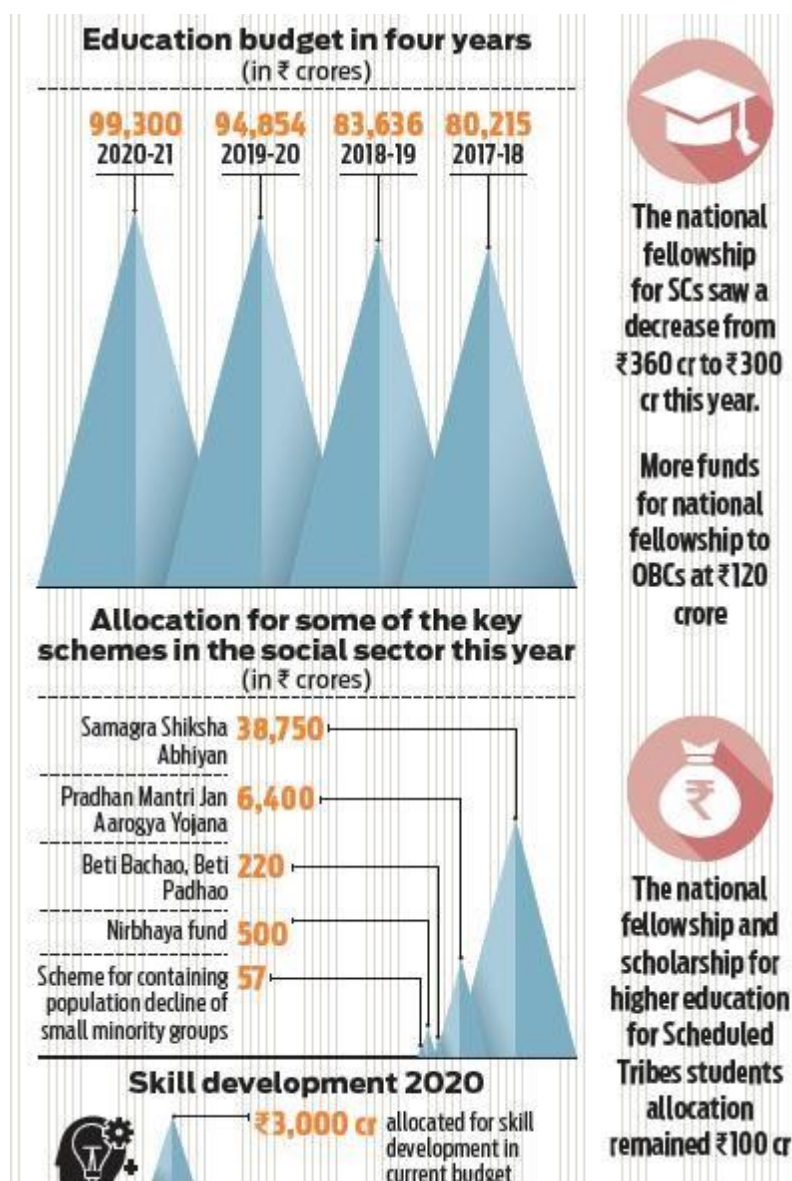
d. Under Priority sector lending, loans and advances granted to individuals for educational purposes include vocational courses up to Rs.10 lakh for studying in India and up to Rs.20 lakhs for studying abroad.

e. The Ministry of Human Resource Development, Government of India is also planning to raise around Rs 1 lakh crore (US\$ 15.52 billion) from private companies and high net worth individuals to finance improvement of education infrastructure in the country.

f. In addition to the above, Schemes like Central Sector Scheme of Scholarship for College and University Students (CSSS) and Fees Waiving in IITs, aimed at Economically Weaker Section (EWS), are being implemented to bring excluded students in the ambit of education.

h. In Budget 2020-21, the Government of India has allocated Rs 99,300 (Rs 39,467 crore for higher education and Rs 59,845 crore for school education and literacy. Government also allocated Rs 3,000 crore under Revitalising Infrastructure and Systems in higher

education (RISE) scheme, marking an increase of about 4.5 per cent from last year's budget. Government may explore external commercial borrowings and foreign direct investment for funding the education sector.



It is estimated that by 2030, India's higher education will:

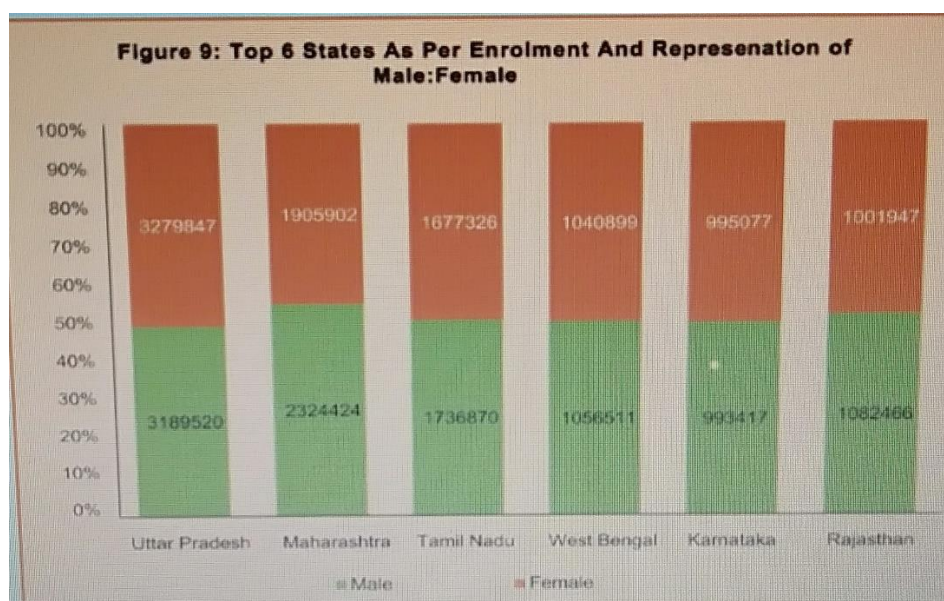
- Adopt transformative and innovative approaches.
- Have an augmented Gross Enrolment Ratio (GER) of 50 per cent
- Reduce state-wise, gender based and social disparity in GER to 5 per cent.
- Emerge as a single largest provider of global talent, with one in four graduates in the world being a product of the Indian higher education system.
- Be among the top five countries in the world in terms of research output with an annual R&D spent of US\$ 140 billion.
- Have more than 20 universities among the global top 200.

3. Status of Education in Uttar Pradesh

As per 2011 Population Census, literacy rate in Uttar Pradesh is 67.68%, (eighth lowest in the country) of which male literacy stands at 77.28 percent while female literacy is at 57.18 percent. Literacy rate rose 13.45 percentage points in UP over a decade from 2001, but there are wide regional disparities: In the north-eastern district of Shravasti, the literacy rate is 49%, while in the best performing district, Ghaziabad (in north-western UP), it is 85%. According to data reported in EdCIL – SSA, a 2016 MHRD study, 16 lakh students between the ages of 6-13 years were not enrolled in school. This accounts for about 3.9% of the total population of children in UP. More children are at work in UP than any other state, according to this calculation by the National Commission for Protection of Child Rights, based on Census 2011 data: 624,000 children, or 8.4% of the five-14 age group.

The State has 32 State Universities, 5 Central Universities, 9 Deemed Universities, 30 Private Universities and 7078 colleges (78% of which are private unaided and 11 are autonomous). As on 11th March 2020, 579 colleges in Uttar Pradesh are NAAC Accredited and 22 colleges have been recognized as having Potential for Excellence. IIT Kanpur is positioned at Rank 6 and Banaras Hindu University at Rank 10 on the 2019 NIRF Overall Ranking of All India Educational Institutions (based on the parameters Teaching, Learning and Resources, Research and Professional Practices, Graduation Outcomes, Outreach and Inclusivity, and Perception.). BHU is at 3rd position in All India University Ranking, IIM Lucknow at 4th position in All India Management Ranking and Sanjay Gandhi Postgraduate Institute of Medical Sciences is at 4th position in the All India Medical College Ranking.

Uttar Pradesh tops the list of states with highest enrolment of students for higher education (AISHE Report 2018-19, MHRD), of which the share of female students exceeds 50%. Uttar Pradesh has the highest number of students enrolled in nursing course with 53,237 students.



84.25% male students and 15.75% of female students who have enrolled for Polytechnics in India hail from the state only.

But India's largest state by population has the worst pupil-teacher ratio (PTR) in India,

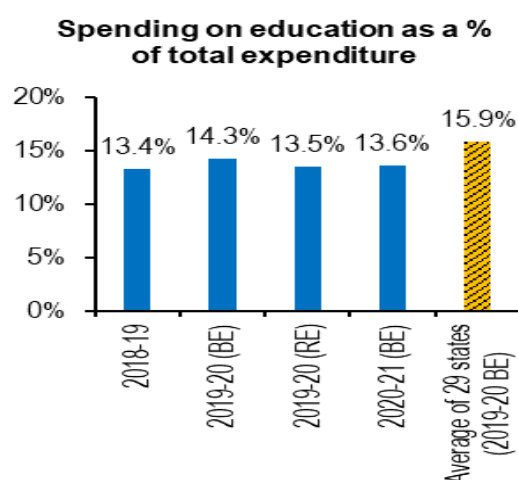
with a teacher for every 39 students at the primary level. At 30 students per teacher—as prescribed by the Right to Education Act (RTE)—at the primary level, the state should have 840,000 teachers but is short by 21%, or 176,000.

url: <http://aishe.nic.in/aishe/reports>

a. UP State Government's Investment on Education- Ongoing Schemes and GoUP Budgetary Allocation 2020-21

In the recent years, Uttar Pradesh has taken several policy initiatives to make education more accessible and affordable to children. For example, The Graded Learning Programme (GLP) was initiated in August 2018 through a partnership between Pratham and the Uttar Pradesh Basic Education Department and sought to target all primary school children in UP. The state is also ranked amongst the first few states to have successfully implemented the Education for All policy. To ensure every child is enrolled in school, the 'Khoob Padho, Aage Badho' campaign was launched in 2017. Out of 147 meritorious students selected for the Rani Lakshmi Bai Award, 99 were girls under the campaign. Considering the importance of teachers, the process of recruitment for 10,768 assistant teachers and 3,794 lecturers is on, while the same was initiated for assistant teachers in 2018.

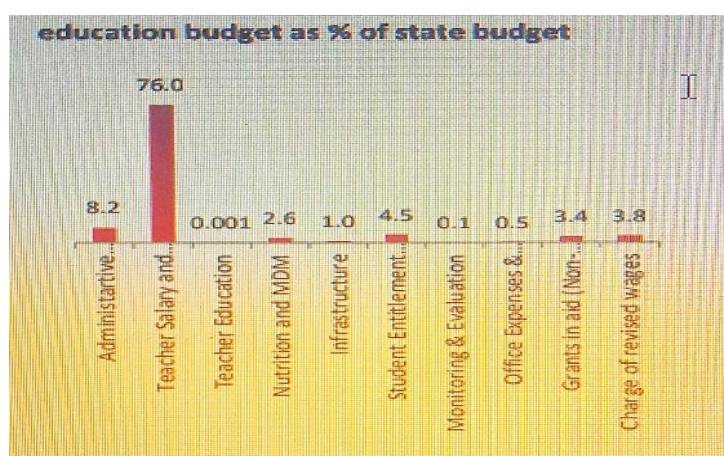
In the State Budget 2020-21, the state has allocated 13.6% of its expenditure (Rs.64,805 Crore) for education which saw a change of 13.5% from RE 2019-20 to BE 2020-21.



Rs 18,363 crore has been allocated for Samagra Shiksha Abhiyan and Rs 2,660 crore for the Mid-Day Meal scheme. To ensure basic facilities in higher education institutions, Rs. 111 Crore was proposed to be allocated under Rashtriya Uchchthar Shiksha Abhiyan. ₹ 270 crore has been allocated for Atal Residential Schools to be set up in 18 divisions (or groups of districts) and Rs 783 crore is allocated for the improvement of education and basic infrastructure facilities under the 'Pradhanmantri Jan Vikas Karyakram' in minority-dominated areas.

An approximate Component-wise allocation of education budget of Uttar Pradesh since 2017-18 is as given below (Based on a Comparative Study on Budgeting for School Education in Uttar Pradesh: What has changed and what has not? After 14th Finance

Commission by CRY (Child Rights and You)



The budget also has many generous plans for the education sector

- 3 new varsities are to be set up in Saharanpur, Azamgarh and Aligarh.
- Setting up of Police Forensic University
- Setting up of Ayush University
- Atal Bihari Vajpayee Medical University is to be built
- Madrasas are to be modernized.

The state government will introduce an internship scheme for students of class 10 and 12 as well as those pursuing graduation to brighten their employment prospects. Each youth who will undergo internship for 6 months and one year will be given Rs 2,500 as honorarium every month. Of this, Rs 1,500 will be given by the central government and Rs 1,000 by the state government.

b. Education Loans- Schemes and Criteria

The objective behind Educational Loan is to provide financial support from the banking system to deserving/ meritorious students for pursuing higher education in India and abroad. According to a study by ASSOCHAM, less than 3 percentage students, mostly belonging to middle income families in India avail of education loans.

The major ongoing schemes of Government of India for education are listed below:

(i) Revised Model Education Loan Scheme of Indian Banks Association

IBA had prepared a Model Educational Loan Scheme in the year 2001 which was advised to banks for implementation by Reserve Bank of India. In line with the announcement made by the Hon'ble Finance Minister in his Budget Speech for the year 2004-05, IBA had communicated certain changes in the security norms applicable to educational loans with limits above Rs.4 lakhs and up to Rs. 7.5 lakhs.

The Educational Loan Scheme outlined aims at providing financial support from the banking system to deserving/ meritorious students for pursuing higher education in India and

abroad. Need based finance is targeted, subject to repaying capacity of the parents/ students with margin and ceiling upto Rs. 10 lakhs for studies in India and Rs. 20 lakhs for studies abroad

To be eligible, the student should be an Indian National and secured admission to professional/ technical courses in India or Abroad through Entrance Test/ Merit Based Selection process.

Expenses considered for loan:

- Fee payable to college/ school/ hostel.
- Examination/ Library/ Laboratory fee.
- Purchase of books/ equipment/ instruments/ uniforms.
- Caution deposit, building fund/refundable deposit supported by Institution bills/receipts, subject to the condition that the amount does not exceed 10% of the total tuition fees for the entire course.
- Travel expenses/ passage money for studies abroad.
- Purchase of computers - essential for completion of the course.
- Insurance premium for student borrower
- Any other expense required to complete the course - like study tours, project work, thesis, etc.

url: <http://www.dif.mp.gov.in/HigherEdu/IBAEduLoanScheme.pdf>

(ii) Central Scheme to provide Interest Subsidy (CSIS) for the period of moratorium on Educational Loans

The Government of India has now approved a scheme to provide full interest subsidy during the period of moratorium i.e., course period plus one year or six months after getting job, whichever is earlier, on loans taken by students belonging to Economically Weaker Sections from scheduled banks under the Educational Loan scheme of the Indian Banks' Association, for pursuing any of the approved courses of studies in technical and professional streams, from recognised institutions in India.

The Scheme would be adopted by all scheduled Banks and would be applicable only for studies in recognised Technical/Professional Courses in India. The interest subsidy shall be linked with the existing Educational Loan Scheme of IBA and restricted to students enrolled in recognised Technical/Professional Institutions established by Acts of Parliament, other Institutions recognised by the concerned Statutory Bodies, Indian Institutes of Management (IIMs) and other Institutions set up by the Central and State Government.

The interest subsidy under the Scheme shall be available to the eligible students only once, either for the first undergraduate degree course or the post graduate degrees and diplomas in India.

url:

<https://www.vidyalakshmi.co.in/Students/resources/SubsidyScheme.html#:~:text=The%20scheme%20provides%20full%20interest,are%20eligible%20under%20the%20scheme.>

(iii) VidyaLakshmi Portal

Vidya Lakshmi is a first of its kind portal for students seeking Education Loan. This portal has

been developed under the guidance of Department of Financial Services, (Ministry of Finance), Department of Higher Education (Ministry of Human Resource Development) and Indian Banks Association (IBA). The portal has been developed and being maintained by NSDL e-Governance Infrastructure Limited. Students can view, apply and track the education loan applications to banks anytime, anywhere by accessing the portal.

The Salient features of the scheme are as under:

- The scheme envisages loans up to Rs.7.5 lakh for studies in India and up to Rs. 15 lakh for studies abroad.
- For loans up to Rs. 4 lakh no collateral or margin is required and the interest rate is not to exceed the Prime Lending Rates (PLR). For loans above Rs. 4 lakh the interest rate will not exceed PLR plus 1 percent.
- The loans are to be repaid over a period of 5 to 7 years with provision of grace period of one year after completion of studies.

url: <https://www.vidyalakshmi.co.in/Students/about-us>

(iv) Dr. Ambedkar Central Sector Scheme of Interest Subsidy on Educational Loans for Overseas Studies for Other Backward Classes (OBCs) and Economically Backward Classes

There is a Central Sector Scheme to provide interest subsidy to the student belonging to the OBCs and EBCs on the interest payable for the period of moratorium for the Education Loans for overseas studies to pursue approved courses of studies abroad at Masters, M.Phil. and Ph.D. level.

The interest Subsidy shall be linked with the existing Educational Loan Scheme of Indian Banks Association (IBA) and restricted to students enrolled for course at Masters, M.Phil and Ph.D level.

The interest subsidy under the scheme shall be available to the eligible students only once, either for Masters or Ph.D levels. The students obtaining benefits under this Scheme shall not be given the interest subsidy if he gives up Indian citizenship during the tenure of the loan.

Eligibility

- The students should have secured admission in the approved courses at Masters, M.Phil or Ph.D levels abroad
- He/She should have availed loan from a scheduled bank under the Education Loan Scheme of the Indian Banks Association (IBA) for the purpose.
- For the candidate applying under the OBC category, OBC Caste certificate in the prescribed Performa (as per Annexure) issued by the competent authority must be taken by the Banks.

url:

<https://sbi.co.in/documents/16012/76857/Dr+Ambedkar+Scheme++For+website++10.04.2018.pdf>

(v) PADHO PARDESH – Scheme of Interest Subsidy on Educational Loans for Overseas Studies for the students belonging to the minority communities.

This is a Central Sector Scheme to provide interest subsidy to the student belonging to the

communities declared as minority communities in terms of section 2 (c) of National Commission for Minorities Act, 1992, on the interest payable for the period of moratorium for the Education Loans under the Scheme of Interest subsidy on Educational Loans for Overseas Studies to pursue approved courses of studies abroad at Masters and M.Phil/Ph.D levels.

The student should have secured admission in the approved courses at Masters, M.Phil or Ph.D levels abroad. He/ She should have availed loan from a scheduled bank under the Education Loan Scheme of the Indian Banks Association (IBA) for the purpose. Students should apply for the benefits under the scheme during 1st year itself of the course. Fresh applications received during 2nd year or subsequent years will not be accepted in any case. Preference will be given to those applications which are covered under lower rate of interest by various banks for each State/UT to their quota. 35% seats will be earmarked for girl students. In case of non-availability of girl students, seats can be transferred to boys students.

url: http://www.minorityaffairs.gov.in/sites/default/files/PadhoPardesh-Eng_o.pdf

c. Range of Interest Rates pertaining to Educational Loan Schemes of Major Banks

Banks	Interest Rates
Punjab National Bank	7.30% to 9.80% p.a.
Central Bank of India	7.60% to 9.60% p.a.
Canara Bank	7.85% to 9.85% p.a.
State Bank of India	7.95% to 10.05% p.a.
Bank of Baroda	8.00% to 10.25% p.a.
IDBI Bank	8.25% to 10.25% p.a.
Syndicate Bank	8.25% to 11% p.a.
Bank of India	8.95% to 9.75% p.a.
Tamilnadu Mercantile Bank	9.10% to 11.60% p.a.
Oriental Bank of Commerce	9.40% to 11.40% p.a.
HDFC	9.55% to 13.25% p.a.
UCO Bank	9.95% to 10.35% p.a.
Karnataka Bank	10.08% to 13.9% p.a.
United Bank of India	10.25% to 10.35% p.a.
Federal Bank	10.25% p.a. onwards
Karur Vysya Bank	11.25% to 12.95% p.a.
Tata Capital	10.99% p.a. onwards
Jammu and Kashmir Bank	11% to 13% p.a.
Andhra Bank	11.15% to 11.45% p.a.
ICICI Bank	11.25% to 14.60% p.a.
Dhanalakshmi Bank	11.45% to 13.60% p.a.
Axis Bank	13.70% to 15.20% p.a.
Kotak Mahindra Bank	Up to 16% p.a.

***Plus Processing charges as applicable**

(Source: <https://www.bankbazaar.com/education-loan-interest-rate.html> The hyperlink of each bank leads to the particulars of their education loan schemes in detail)

d. Target and Achievement of Banks (Priority Sector Lending on Education) in Previous 3 Financial Years in Uttar Pradesh (Amt. Rs. Crore)

Bank	Target	Achievement	% of Achv
2015-16			
Commercial Banks	2460.21	1320.45	53.67
Regional Rural Banks	275.53	24.71	8.97
Cooperative Banks	40.34	0.058	0.14
Others	0.00	0.00	0.00
Total	2843.44	1345.23	47.31
2016-17			
Commercial Banks	2760.01	1383.12	50.11
Regional Rural Banks	290.48	21.22	7.31
Cooperative Banks	44.89	0.432	0.96
Others	0.00	0.00	0.00
Total	3153.44	1404.77	44.55
2017-18			
Commercial Banks	3645.22	2456.79	67.40
Regional Rural Banks	413.37	18.27	4.42
Cooperative Banks	44.74	0.05	0.11
Others	0.00	0.00	0.00
Total	4182.06	2475.10	59.18
2018-19			
Commercial Banks	3799.25	718.04	18.90
Regional Rural Banks	519.27	126.13	24.29
Cooperative Banks	65.55	0.00	0.00
Others	0.00	0.00	0.00
Total	4449.92	844.17	18.97
2019-20			
Commercial Banks	3896.73	1432.81	36.77
Regional Rural Banks	569.14	20.48	3.60
Cooperative Banks	78.52	0.00	0.00
Others	45.05	0.00	0.00
Total	4589.44	1453.29	31.67

Source: SLBC

e. Issues, Constraints and Suggested Action Points

- The student community (right from higher secondary) and Self Help Group members may be enlightened with ongoing educational loan schemes, interest subsidy schemes and simplified procedures to avail them. This would facilitate smooth demand supply chain at the time of need and also protect the clients from fraudulent business.
- Teacher education and infrastructure building should be the immediate priority for Uttar Pradesh. Given the huge shortage of professionally qualified teachers, there is an immediate need to create adequate teacher training institutes in the state.

- Umbrella Education Loan Schemes can be redesigned to be more tailor made with more sub divisions to cater to the emerging new educational avenues.
- Time lag and procedure delay in educational loan disbursement is to be avoided by adopting speedy and systematic procedure especially in the case of public sector banks in urban semi urban and rural areas.
- The bank themselves have to boost up follow up inspections and awareness programmers to the beneficiaries.
- Formulate special package for rural people in order to make them satisfactory in the repayment of educational loans.
- The professional collages should impart skills and equip them for employability of these graduates.
- If so, the Government can guarantee the repayment of education loan and they can give some amount as remuneration. If the Government makes it compulsory by law, the students themselves will search a better job with good return
- Development of integrated higher educational financing schemes with insurance coverage as educational guarantee.