

## Household Social Consumption on Education in India

### Contact:

Madan Sabnavis  
Chief Economist  
madan.sabnavis@careratings.com  
+91-22-6837 4433

### Author

**Vahishta M. Unwalla**  
Research Analyst  
vahishta.unwalla@careratings.com  
+91-22-6837 4408

**Mradul Mishra (Media Contact)**  
mradul.mishra@careratings.com  
+91-22-6837 4424

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The National Statistical Office (NSO), MOSPI conducted a survey between July 2017 and June 2018 on 'Household Social Consumption: Education' as part of the 75th round of National Sample Survey (NSS). A summary of the findings are presented in this report.

The data presented through this survey was collected from 1.14 lakh households, of which 57% were residing in rural areas and remaining in urban areas. This includes a total of 5.14 lakh individuals. The data is based on individuals lying in the age group of 3-35 years of age.

Key highlights of the survey are as follows:

#### Literacy rates:

- Literacy rate for individuals aged 7 years and above in India was 78%.
- Among individuals aged 15 years and above, 31% individuals in rural areas completed their secondary level of education, while in urban areas it was higher at 58%.
- Nearly 11% Indians hold a graduation degree. Of this, in rural areas the numbers was staggeringly low at 6%, while in urban areas it was higher at 22%.

#### Free/subsidised education:

- About 23% of students in urban areas received free education, while in rural areas it was more than double at 57%. Also, 9% students in urban areas received scholarships/ stipend/ reimbursements, while in rural areas it was higher at 19%.

#### Education expenditure:

- For students pursuing a general course in the current academic year, average expenditure per student was Rs.5,240 in rural areas, while in urban areas it was more than three times higher at Rs.16,308. However, for students pursuing technical/professional courses, it was Rs.32,137 in rural areas and double at Rs.64,763 in urban areas.

#### Information and Communication Technology

- Just 4% of rural households and 23% of urban households had a computer.
- Nearly 15% of rural households and 42% of urban households had an internet facility.

### Literacy rates

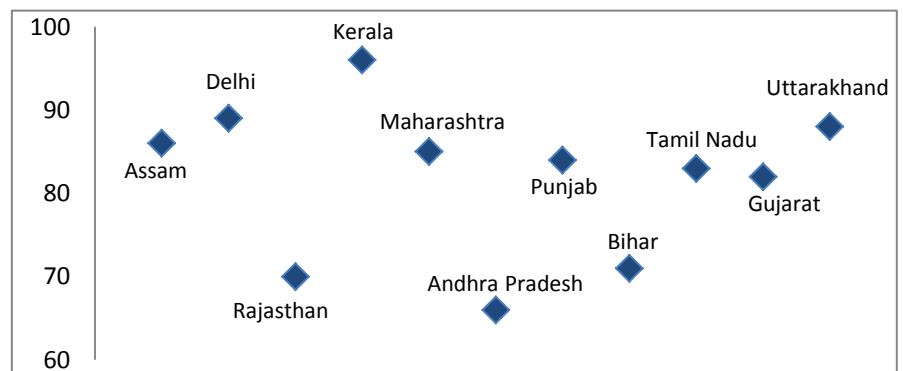
Literacy rate is one of the key characteristics to indicate the socio-economic progress of the country. It is defined as the percentage of literate persons among persons of age 7 years and above. A person who can read and write a simple message in any language with understanding is considered literate in NSS surveys. The survey findings show that 78% of Indians aged 7 years and above are literate. Literacy rates are highest for urban males at 92% and lowest among rural females at 65%.

State-wise analysis (chart 1) shows Kerala has the highest literacy rate of 96%, followed by Delhi with 89%, while the lowest is in Andhra Pradesh with 66% and Rajasthan with 70%.

**Table 1: Literacy rate (in %) among persons of age 7 years and above**

	Male	Female	All
Rural	82	65	74
Urban	92	83	88
All	85	70	78

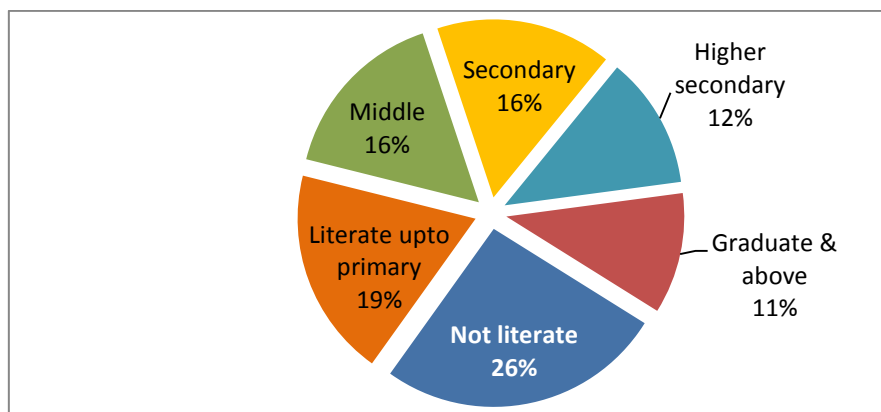
**Chart 1: State-wise literacy rate (in %) among persons of age 7 years and above**



### Highest level of education successfully completed

- In India, about 26% individuals were not considered as literate, comprising 35% females and 18% males.
- Amongst the literate, 19% were literate up to primary education, 16% were educated up to middle and secondary education respectively.
- Literacy rates for higher secondary and graduates & above was lower at 12% and 11% respectively.

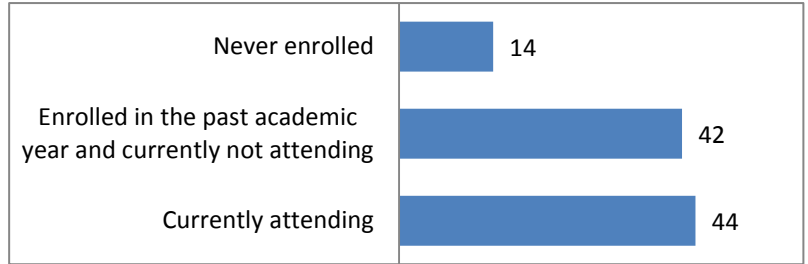
**Chart 2: Distribution of persons of age 15 years and above by highest level of education successfully completed (in %)**



**Enrolment status**

- 14% of individuals in India have never enrolled in schools. This ratio was higher among rural females at 19%.
- About 42% students in India were enrolled in the past academic year but currently not attending, while 44% were currently attending.

**Chart 3: Distribution of persons of age 3 to 35 years by enrolment status (in %)**

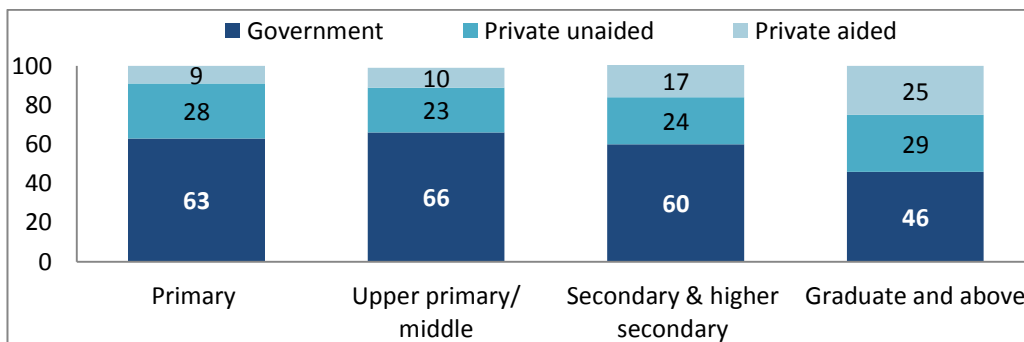


**Type of institution**

There are various types of management ownerships through which an education institution can be run. This includes government, private aided and private unaided. Distribution of students based on levels of education among these three types of institutions is as follows:

- **Primary:**  
About 63% students of primary level of education in India are attending government institutions. This ratio is higher at 74% in rural areas and lower at 31% in urban areas. About 28% students in India at primary level of education were attending private unaided institutions, while remaining 9% were in private aided institutions.
- **Upper primary/middle:**  
66% students attended government institutions for upper primary/middle education. This includes 38% in urban areas and 76% in rural areas. 23% students attended private unaided and remaining 10% attended private aided.
- **Secondary and higher secondary:**  
60% students in secondary and higher secondary level of education attended government institutions, while 24% and 17% attended private unaided and aided institutions respectively.
- **Graduate and above:**  
46% students pursuing graduation and higher studies attended government institutions. 29% students attended private unaided institutions and 25% attended private aided institutions.

**Chart 4: Distribution of students by type of institution in which currently attending education (in %)**

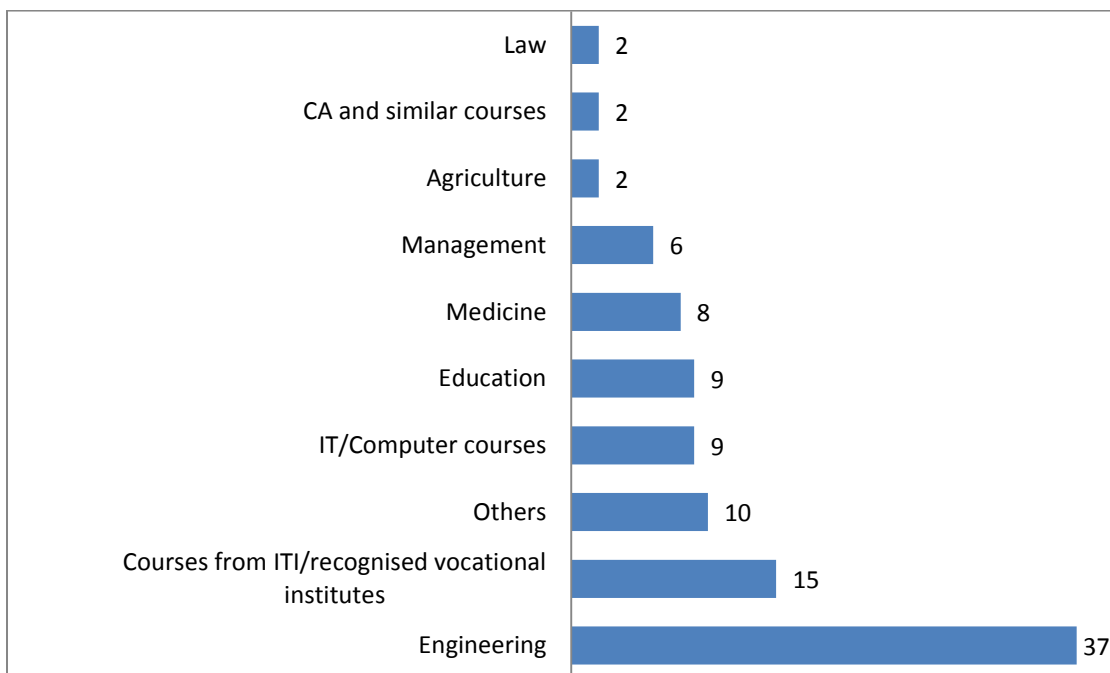


**Technical/professional courses**

Chart 5 refers to estimates of students pursuing technical / professional education in India.

- Engineering course is most popular among students. 37% students in India are pursuing Engineering in India. This includes 52% of urban males and 34% urban females. In rural, 30% males and 20% females were pursuing this course.
- IT/computer courses had the second-highest demand among students in India. About 10% students in India were studying this course. Demand for this course was higher in rural areas compared with urban.
- About 8% students pursued medicine in India. This includes 10% students in urban areas and just 5% in rural areas. Medicine was most popular among urban males with 17% students studying this course.
- Other courses with high demand are education, medicine, management, agriculture, law, Chartered Accountant, etc.

**Chart 5: Distribution of students pursuing technical / professional course by type of course (in %)**



**Free/subsidised education**

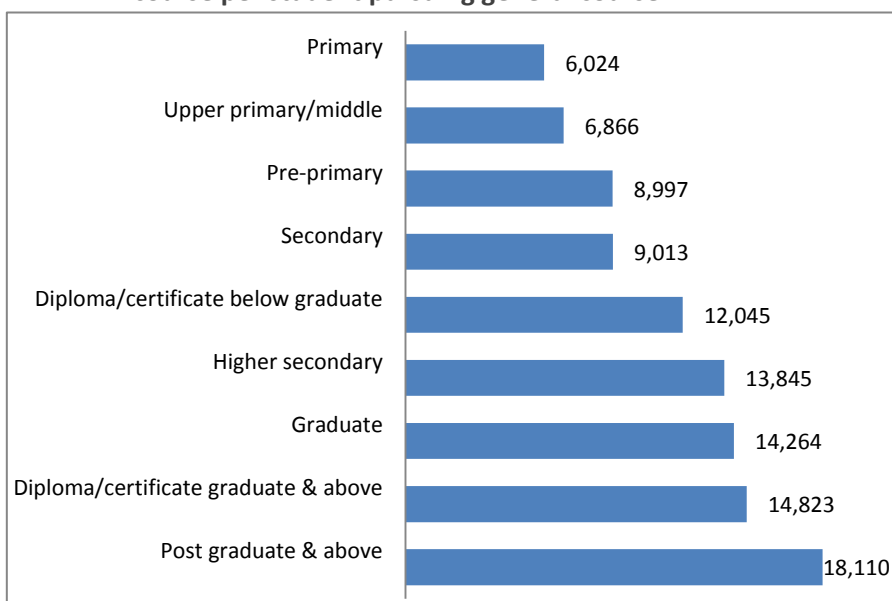
- Free education:  
About 47% of students in India received free education. In rural India, 57% students received free education, while in urban area 23% students received free education. In NSS 75th round, education was considered free only when student was not required to pay any fees.
- Scholarship:  
14% students in India received scholarships/ stipend/ reimbursement.
- Textbooks and stationery:  
54% students in India have received free/subsidised textbooks and stationery. In rural areas, 64% students benefited from this, while in urban areas, 31% received this benefit.

**Expenditure on education**

Average expenditure on education per student in India is Rs.9,948. It is lower at Rs.8,331 for general courses, however for technical/ professional courses it rises to Rs.50,307. Chart 6 shows that as a student progresses through various levels of education, the expenses simultaneously rise. This directly could potentially act as a deterrent for economically weaker sections to continue being enrolled in schools. For this, government intervention needs to come in at the right levels for drop outs to reduce.

As seen in chart 7, about 50% of the total expenditure is of fee for tuition, examination and development. Books, stationery and uniform cumulatively comprise 20% of the expense on education, while transport and coaching CARE account for 12% each.

**Chart 6: Average expenditure (Rs.) relating to basic course per student pursuing general course**



**Chart 7: Components of expenditure on education**

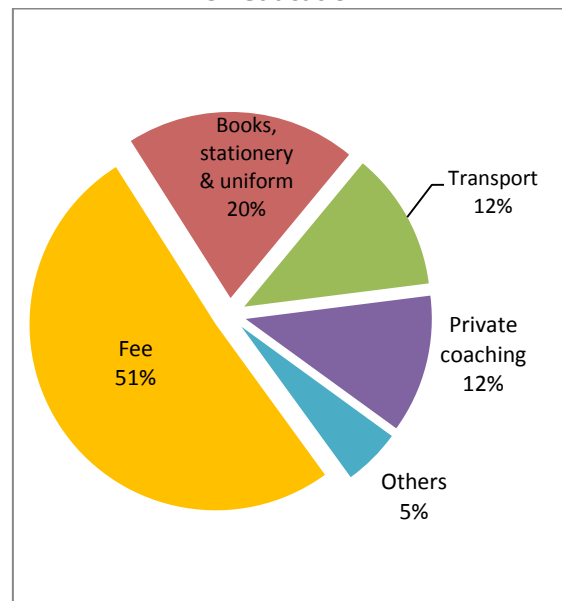
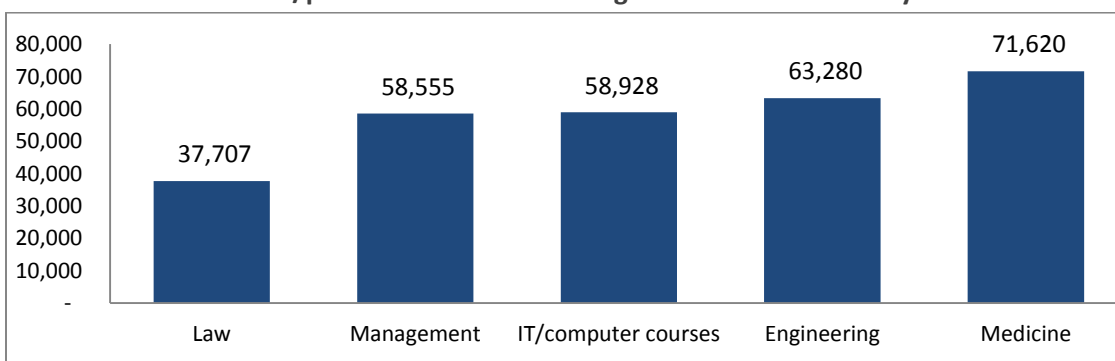


Chart 8 depicts course-wise expense on education. Studying medicine can cost a student close to Rs.72,000 per academic year, while Engineering can cost Rs.63,000. The other top courses are depicted in below chart 8.

**Chart 8: Average expenditure (Rs.) per student pursuing technical/professional course during the current academic year**



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## Information and Communications Technology (ICT)

- **Computer:** Just 11% of Indian households have a computer. This number is staggeringly low in rural areas at 4%, while in urban areas it is at 23%. Also, just 16% Indians know how to operate a computer.
- **Internet facility:** 24% of Indian households have an internet facility. This includes 42% of urban households and 15% of rural households. Also, just 20% Indians are able to use the internet.

## Drop outs

A student is considered as dropped out if he/ she did not complete the last level of education for which he/she enrolled and is currently not attending any educational institution. The dropout ratio stood at 13%. Following were the top reasons sighted for drop outs or not enrolling in schools/ colleges:

- Engaged in domestic activities
- Financial constraints
- Not interested in education
- School is far off
- Timings of educational institution not suitable
- Language/medium of instruction used is unfamiliar
- Unable to cope up with studies/failure in studies
- Completed desired level/class
- Marriage
- Non-availability of female teacher
- Non-availability of girls' toilet
- No tradition in community, etc.

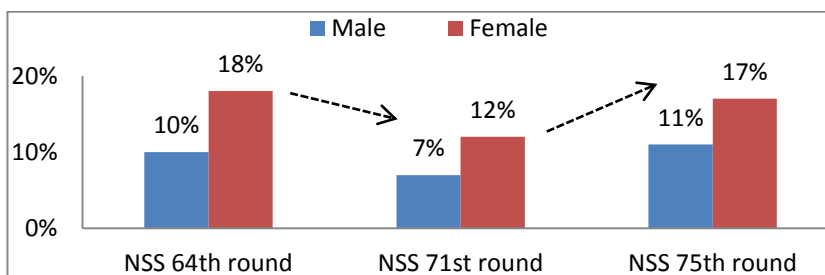
### Have the Indian education system improved over the years?

(Refer to note on next page when comparing data)

Through the survey findings we learn that the education scenario in India is still at a very poor stage. Comparison of data with earlier NSS surveys held in 2007-08 and 2014, show that some education indicators have improved, while others have deteriorated further.

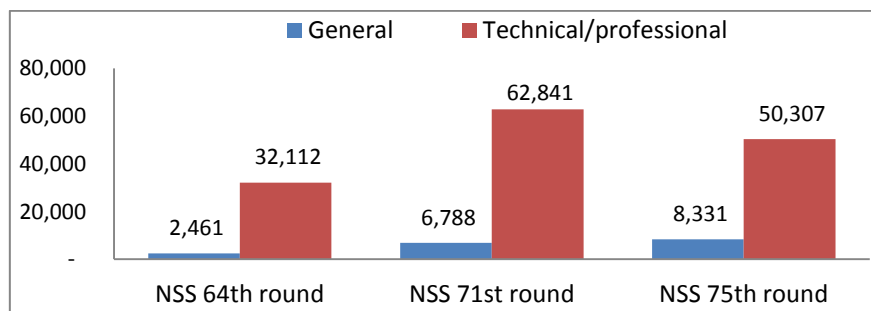
- Improvement in literacy rates:**  
 Literacy rates have improved in the past 10 years from 72% in 2007-08 (NSS 64<sup>st</sup> round) to 78% in 2017-18 (NSS 75<sup>th</sup> round).
- Decline in enrolment ratio:**  
 The proportion of students that never stepped into the country’s education system had reduced in 2014 (NSS 71<sup>st</sup> round), however rose in 2017-18 (NSS 75<sup>th</sup> round). The increase in students never enrolled in schools, comes as a major concern for the country, which needs to be immediately addressed. Gender wise breakup of individuals never enrolled in schools can be seen in chart 9.

**Chart 9: Proportion of individuals never enrolled in schools (in %)**



- Expenditure on education:**  
 The expense on education has improved over the years for general education which includes primary, upper primary, secondary, graduate, post-graduation and diploma courses. However for technical/professional courses, such as medicine, engineering, law, etc. the education expense has recently shown a decline. Some reasons for decline in expenses of professional/technical courses in 2017-18, could be higher subsidies and scholarships being offered by government, higher number of educational institutes being opened in the country which charge lower fee so as to combat competition, etc.

**Chart 10: Average expenditure (Rs) per student by type of education**



- Reasons for drop out remain stagnant:

The reasons for drop out or never enrolling in schools have remained same over the years, of which, factors such as financial constraints, no access to schools and engagement in domestic activities are the top reasons.

**Note:**

Name of survey	Age group surveyed	Year of survey
NSS 64 <sup>th</sup> round	5-29 years	2007-08
NSS 71 <sup>st</sup> round	5-29 years	2014
NSS 75 <sup>th</sup> round	3-35 years	2017-18

**CARE Ratings' view:**

- India has one of the world's youngest populations in an aging world. Hence it is of utmost importance to ensure that the budding demographic dividend is made a part of responsible and progressive education system, so as to be able to contribute to the nation's economic development in future.
- Improvement in literacy rates in India though is a definite reason to cheer, however there still considerable room for growth of the Indian education system. The proportion of students that never stepped in the country's education system has risen in the recent findings of survey (NSS 75<sup>th</sup> round), which draws our attention to the ineffective/declining efforts by government to enrol an individual in schooling and to keep him enrolled in the system as she progresses through various grades. There has to be more effort put in especially by state governments to improve this rate.
- While financial constraint is one of the main reasons for students to continue their education, the survey shows that about 51% of education expense is incurred on tuition fee, while private coaching accounts for a significant 12% of the total education expense. This throws light on the unsatisfactory quality of education provided in school classrooms, leading to greater number of students opting for private coaching. Growing expenses on private coaching also acts as an obstruction for students to continue their studies as they progress through various levels of education and enrol in technical/professional courses. However, this does open up scope for growth of the private sector tuition industry which has grown in scale over the years (which does not include classes conducted at homes which is unorganized and difficult to quantify).
- Expenses on books, stationery and uniform comprise significant 20% of the total education expense, which can be reduced if government provides financial support by providing such essentials at free/subsidised rates to students. 12% expense on transport shows that there is not enough and easy access to schools. By addressing this issue in rural areas and lowering or eliminating this cost, the enrolment rate can also be increased. In fact, subsidizing transportation for children needs to be taken up by states.
- With a high proportion students enrolling for Engineering, vocational and IT/computer courses, it is of utmost importance that there is sufficient number of jobs created in these fields. IN the absence of such jobs, the unemployment rate would tend to increase as qualified students may not be willing to take up jobs which require lower qualification.



- There is also a greater need to encourage students to enrol for vocational courses which provides jobs as tailors, plumber, carpenter, electrician, etc. As the gig economy grows this will gain in importance.

**CARE Ratings Limited**

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022. CIN: L67190MH1993PLC071691

Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457

E-mail: [care@careratings.com](mailto:care@careratings.com) | Website: [www.careratings.com](http://www.careratings.com)

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