



Public investment on primary education: A study in Karnataka

Dr. Avinash T

Research Scholar, Department of P G Studies in Economics, Kuvempu University, Shankaraghatta, Karnataka, India

Abstract

Many studies on education expenditure in India have examined the trends and pattern of public expenditure on education, inter-state disparities in education expenditure and also the impact of the spending. The coverage of time period of these studies is limited. Time period considered by many researchers is different; Dev and Mooij (2002) from 1987-88 to 1999-00 (8 years), Joshi (2006) from 1987-88 to 2001-02 (14 years), Prabhu (1996) from 1991-92 to 1994-95 (4 years), Panchamukhi (2000) from 1987-88 to 1997-98 (11 year), Sudhakar and Moss (2003) from 1987-88 to 1995-96 (9 years) and so on. In the present research work an attempt has been made to fill this research gap considering 40 years of study period from 1974-75 to 20014-15. A few studies have taken in to consideration of district wise analysis on expenditure, status as well as infrastructure facilities of primary education. Further, In Karnataka, studies on education, which link /correlate with human development, economic growth at district level are a few. An attempt has been made in this study to analyse the expenditure pattern of state governments on primary education.

Keywords: education, expenditure, literacy rate, retention rate, budgetary allocation

Introduction

Human Capital theory tells that expenditure on education, health, skill development training programmes has to be considered as an investment. Expenditure on these things will improve the income of the individual in future. During 1961, T.W. Schultz, in his presidential address to the American Economic Association, addressed that people should invest themselves in the form of education, health, and skill development programmes for the improvement of their income in the future. In development country like India people cannot invest on these sectors as most of the people are poor and they have scarcity of money for food and clothing. And the returns from expenditure on human capital are in the long gestation of period. Poor people cannot wait for it. Hence, intervention of government through various policies and programmes for the development of the health and education level of the people of the country is very much necessary. Through that national development can be achieve.

Brief review of literature

A number of studies, notably including Barro (1991)^[1] and Mankiw, Romer and Weil (1992)^[3] conclude that growth in human capital is a centrally important contributor to economic growth. Mankiw, Romer and Weil (1992)^[3] used the fraction of the working-age population attending secondary school as a measure of human capital investment at any point in time. Whereas a model using only physical investment variables performed poorly in explaining economic growth, the same models performed well when human capital was included. Human capital has been emphasised particularly in explanations of the strong long-term economic growth experienced in East Asian Nations (Jung 1992^[5]; Woo 1991). Marris (1982) using data of 60 developing countries for the period 1965 to 1979, estimated a model that confirmed

previous findings (Wheeler's work) on the importance of education for growth in developing countries. Furthermore, he found relatively weak role for investment, as normally measured in terms of the construction of fixed tangible assets. The estimated cost-benefit ratios for the education (measured by primary enrolment rate) ranged in his model, between 3.4 and 7.4, depending on one's assumptions on costs. By contrast, the cost benefit ratios for investments in non-human capital ranged between 0.4 and 1.0.

A number of studies analysed the impact of human capital on earnings. Psacharopoulos (1978)^[7] has reviewed attempts to measure the social and private rate of return to investment in education in 32 countries in 1973 and has upgraded this survey of research on the returns to education by analysing the results of cost-benefit analysis of education in 44 countries in 1981. Estimates of social and private rates of return to educational levels in 44 countries in the period from 1958 to 1978 revealed.

Tilak (2002)^[10] found that public expenditure on education in India experienced rising trends in the 1960s, followed by a steep decline in the 1970s, and then a slow and steady increase in the 1980s, followed again by severe cuts in the 1990s. Such serious fluctuations may not ensure building a strong and sustainable education edifice. The study reiterated the Kotari commission's recommendation for 6 per cent GDP to be spent on education as against the present outlay of 3.5 per cent. Singh and Nandakeoliar (2006) have also stressed the importance of expenditure of 6 –7 per cent of GDP of education.

A recent study by Bakshi and Jha (2012) indicated that the overall state education expenditures do not seem to rise beyond 3 percent of the Gross State Domestic Product (GSDP). This becomes a pertinent question to discuss at the onset of the new phase in the elementary education which

comes with the enactment of the Right of Children to Free and Compulsory education Act of 2009.

In another study, Rajkumar and Swaroop (2008) [11] empirically examine whether public expenditure on education is more effective in improving educational outcomes in countries with good governance. Their education results are based on a sample that has 101 observations from 57 countries using annual data for 1990, 1997 and 2003. The authors capture the direct effects of governance on educational outcomes by using the governance variables.

Chandrasekaran (2006) attempted to bring out the contribution of public expenditure on education to economic growth. The study reveals that the growth of public expenditure on education is brighter in nominal terms, but not so in real terms. Public expenditure on education and national income are positively correlated. The study also predicted that, had the public expenditure on education been 6 per cent of national income, its contribution to national income would have been Rs. 97244.307 at current prices and Rs. 50786.986 at constant prices.

Kapoor and Mehta (1997) examined whether educational development has helped in increasing inter generation social and economic mobility. The study was based on a field survey of more than 2500 male inhabitants of Udaipur rural and urban constituencies that collected information about the caste, the class, standard of living and education of the respondent and their fathers. Affinity and mobility indices were constructed and effect of characteristics related to fathers on the education and class position attained by the respondents was estimated.

Research Issues

Many studies on education expenditure in India have examined the trends and pattern of public expenditure on education, inter-state disparities in education expenditure and also the impact of the spending. The coverage of time period of these studies is limited. Time period considered by many researchers is different; Dev and Mooij (2002) from 1987-88 to 1999-00 (8 years), Joshi (2006) [4] from 1987-88 to 2001-02 (14 years), Prabhu (1996) from 1991-92 to 1994-95(4 years), Panchamukhi (2000) from 1987-88 to 1997-98(11 year), Sudhakar and Moss (2003) from 1987-88 to 1995-96 (9 years) and so on. In the present research work an attempt has been made to fill this research gap considering 40 years of study period from 1974-75 to 20014-15. A few studies have taken in to consideration of district wise analysis on expenditure, status as well as infrastructure facilities of primary education. Further, In Karnataka, studies on education, which link /correlate with human development, economic growth at district level are a few. An attempt has been made in this study to fulfil that research.

Objectives

The objectives of the present study are,

- To analyse the trends and pattern of public expenditure on education in Karnataka.
- To analyse the recent programmes and schemes on primary education in the state.
- To study the education infrastructure facilities at primary level in Karnataka and regional imbalances within it.

- To study the education status of primary level in Karnataka, with focus on regional imbalances.

Methodology

In order to remove the impact of price rise, the growth and composition of public expenditure has been considered at constant prices with reference to 1999-00 as the base year. By using the GSDP deflator method, the current expenditure items were converted into constant (1999-00) prices. The GDP deflator is the ratio of nominal GSDP to real GSDP. In other words, it is equal to nominal GSDP divided by real GSDP. To get a value in constant prices we need to divide the value of current prices with GSDP Deflator.

Selection of Districts/ Regions

All the 30 districts of the states have been considered for the present study and they are Bagalkote, Bangalore Rural, Bangalore Urban, Belgaum, Bellary, Bidar, Bijapur, Chamarajanagar, Chickballapur, Chickmagalur, Chitradurga, Dakshina Kannada, Davangere, Dharwad, Gadag, Gulbarga, Hassan, Haveri, Kodagu, Kolar, Koppal, Mandya, Mysore, Raichur, Ramnagara, Shimoga, Tumkur, Udipi, Uttara Kannada and Yadgir.

Karnataka state has been divided into four administrative divisions viz., Belgaum, Gulbarga, Bangalore and Mysore. These four divisions are further divided into two parts (regions) namely North Karnataka (Belgaum and Gulbarga) and South Karnataka (Bangalore and Mysore). In the present study region wise division wise and district wise analysis has been made.

Data Source

The study is based on secondary sources of data. The required data has been obtained from following sources: Indian Public Finance Statistics, RBI Bulletin, Budgetary Documents, SSA Annual Reports of Karnataka, Human Development Report (UNDP), National Human Development Report (2002), CSO, and Economic Survey.

Limitations of the study

Educational expenditure on primary level as a whole is considered and various heads within education such as, salary, books, buildings, furniture and so on have not been considered for the analysis. The study has not considered too old programmes and schemes, it analysed only recent schemes and programmes. The present study also ignores the intra-district disparities.

Public expenditure on education in Karnataka

Expenditure on social services like education and health has been justified by reference to the market's failures both to guarantee outcomes that meet society's equity objectives and to alleviate the possible causes of market inefficiency, imperfect competition, absence of future markets, structural unemployment, externalities, public and merit goods, etc.

For instance, the case of health and education can be taken as examples of possible failures of the market that might have affected public expenditure growth. In health care, it is argued that society's objective is to guarantee equality of access, cost and outcome for those with equal need, while ensuring that the

delivery system uses resources efficiently. Market forces most likely would not achieve either equity or efficiency. The best health care would go to those who could pay the most, and the poor might not be able to afford health care at all. Inefficiency would stem from the many externalities that characterise health care or from consumer ignorance and uncertainty.

In education, it is correspondingly argued that society's objective is to achieve equality of educational opportunities for those of equal ability, and an efficient allocation of resources. In this case also, market provision might result in lack of both efficiency and equity; only the rich families would be able to send their children to school. Moreover, ignorance and uncertainty as to the return from education would make the market inefficient.

In developing countries like India, public expenditure plays an important role in the development process. India has a federal structure of government. Indian Constitution has divided the powers into three lists viz., (a) Central List (b) State List (c) Concurrent List. In social services, education, welfare and employment come under concurrent list; health and housing come under the State list; food security, broadcasting, information and publicity come under Central list; States play a significant role in many aspects of social development.

Since Independence, India has made considerable progress in social sector development. Centre and state governments have spent huge amounts of money on these services. In the present chapter, the pattern of public expenditure on social services has been analysed. There have been a number of studies, which looked at the level of social services (special focus on education) expenditure and changes therein (See among others, Seema, 2006 ^[4]; Panchamuki, 2000; Prabhu and Chattarji, 1993; Sen, 1997; Guhan, 1995; Bhat, 2005; Trivedi, 2005; Shariff, 2002; Ghosh, 2001; Mondal, 2003; Sudhakar and Moss, 2005; Adi, 2004; Mahendra Dev and Mooij, 2002; Hanagodimath 2008; Kaur and Misra, 2003; etc.). Most of the studies have used only revenue expenditure and covered short period of time but this study uses revenue and capital expenditure under plan and non-plan, covering 30 years of

time period.

In social services the expenditure share of education (56 per cent) and health (24 per cent) makes about 80 per cent of the total. Remaining 20 per cent of social services are spent on housing (3.5 per cent), urban development (3.9 per cent), broadcasting (0.79 per cent), labour and employment (1.83 per cent), social security and welfare (6.6 per cent), and relief for natural calamities (0.23 per cent), other (1.13 per cent).

This chapter has been divided into five sections apart from introduction, section two analyses the education expenditure of Karnataka in comparison with major 15 Indian state, section three discusses the growth of education expenditure of Karnataka, while, section four is devoted on district and region wise education expenditure in Karnataka and last section concludes the present chapter.

Expenditure on Education of Selected states in India:

Before going to analyse the public expenditure on education in Karnataka a quick look of Public expenditure on education of selected states is analysed in this section make a comparison with other state. In table 1 the information related to public expenditure on education as a share of total budgetary expenditure and as a share of NSDP has been presented. It is found from the table that about 15 per cent of budgetary expenditure has been devoted to education. This has not been similarly distributed among the states. Rajasthan, Kerala and Orissa states spend higher expenditure on education as share of budgetary expenditure. On the other hand, Gujarat, Andhra Pradesh, Punjab and Uttar Pradesh states have the lower share of education expenditure as a share of total budget.

With respect to expenditure on education percentage to NSDP, it is observed that 4.48 per cent of expenditure on education. Here also similar trend is not observed. States like Assam, Bihar and Orissa have shown a higher spending as a share of NSDP. Contrary to this, West Bengal, Punjab, Maharashtra and Gujarat have experienced the lower spending on education as a share of NSDP. Karnataka state is in the middle level in both share of total budget as well as share to NSDP.

Table 1: Selected State wise Public Expenditure on Education, 2010

States	% to Total Budget	Rank	% to NSDP	Rank
Andhra Pradesh	12.4	13	2.46	10
Assam	16.9	7	7.78	1
Bihar	17.5	3	6.32	2
Gujarat	12.3	14	2.34	12
Haryana	16.1	8	1.97	15
Karnataka	17.0	5	3.75	7
Kerala	18.2	2	2.66	8
Mandya Pradesh	15.1	9	4.14	6
Maharashtra	17.0	5	2.40	11
Orissa	17.1	4	5.38	3
Punjab	12.3	14	2.17	13
Rajasthan	18.5	1	4.41	4
Tamil Nadu	14.7	11	2.64	9
Uttar Pradesh	14.5	12	4.35	5
West Bengal	14.9	10	2.04	14
ALL India	15.3		2.48	
CV (%)	13.4		30.9	

Source: Computed from data available from a study of State Finances, RBI, 2012

Observing the above analysis and table 1 one may get confused that developed states like Gujarat, Kerala and Punjab, Maharashtra showing lower expenditure. It is due to their higher budgetary position and higher NSDP. Hence per capita expenditure on education is always a better measure to see the expenditure on education.

Table 2: Per Capita Expenditure on Education of major 15 State, 2009-10

States	Per Capita Education expenditure	Rank
Andhra Pradesh	1339	11
Assam	1687	5
Bihar	914	13
Gujarat	1235	12
Haryana	2430	1
Karnataka	1594	7
Kerala	1803	3
Madhya Pradesh	876	15
Maharashtra	1995	2
Orissa	1552	8
Punjab	1689	4
Rajasthan	1533	9
Tamil Nadu	1641	6
Uttar Pradesh	877	14
West Bengal	1400	10
All	1360	

Source: Computed from data available from A study of State Finances, RBI, 2012

Table 2 reveals per capita public expenditure on education of major 15 states. The data is in the current prices. It is found that per capita education expenditure by states is Rs.1360 in average of all Indian states. This is not same in all states. There is imbalances in this expenditure. States like Haryana, Maharashtra, Punjab and Assam have higher expenditure and states like Bihar, Madhya Pradesh, Uttar Pradesh, Andhra Pradesh and West Bengal have lower per capita expenditure on education. Vast variation can be observed, which is evidence from the fact that the gap between Haryana (Rs. 2430) and Madhya Pradesh (Rs. 876) state is around three times. States which have higher per capita state income have higher expenditure on education. Karnataka's position in per capita education expenditure is in the middle stage with Rs. 1594.

Growth of Expenditure on Education in Karnataka

In most of the performance indicator status of Karnataka is in the middle positions. It is not in the worst situation at the same time the state is not in the best position. Education expenditures indicator is not an exception of the same. In the present study expenditure on education has been taken from the year 1975-76 to 20014-15. Totally 40 years have been considered for the study. The data has been collection from various issues of budgetary documents of Karnataka. Public expenditure on education is always studied in different ways, among them – per capita term, as a share of total expenditure, as a share of GDP/NSDP and in per student term. In this chapter all expenditure on all these terms will be analysed. Public expenditure on education as a share of total expenditure was 14.95 per cent in 1975-76 which has shown decreasing trend up to 1983-84 to reach 12.65 per cent. From 1984-85 it

started increasing and reached the highest level of 17.94 per cent in the year 1997-98. Again, public expenditure on education has shown the decreasing trend. At the end, in the year 2014-15 public expenditure on education was 15.35 per cent.

Seeing this trend, one may surprise that why in the mid 1990's the public expenditure on education was in high. For this question the answer is that – during that period Govt. focused more on education sector through the implementation of Sampoorna Saksharata Andolan those days most of the Govt. missionary was dedicated to improve the education level of the people in the country. It has made significant change in the mind of the people. This Andolana implemented through many schemes among them adult education, street level drama, awareness programmes, campaigns and so on. Many people have started to send their children to schools inspired by this scheme.

Findings of the case study

- Rajasthan, Kerala and Orissa states spend higher expenditure on education as share of budgetary expenditure. On the other hand, Gujarat, Andhra Pradesh, Punjab and Uttar Pradesh states have the lower education expenditure as a share of total budget.
- Karnataka state is in the middle level in public educational expenditure of both as a share of total budget as well as share of NSDP.
- Expenditure on education as share of NSDP was 2.27 per cent in 1975-76 which increased to 4 per cent in the year 1985-86. Afterwards, it started to decrease, in the year 2004-05 it reached to 3.18 per cent. Further, it started to increase, and registered 3.89 per cent in the year 2007-08. From 2009-10 to 2014-15 it has maintained more or less similar share.
- Expenditure on primary education at current prices during 1975-76 was Rs. 4385 lakh, which increased significantly to Rs.694224 lakh. It means around 160 times of increase. A point here is to be noted that total expenditure on education has increased only 115 times, which is comparatively lesser than expenditure on primary education.
- Increase of public expenditure on education seems to be very impressive if we see it in the current prices. If we see it in per capita term at constant prices, one will not be happy. Increase of public expenditure is eaten by the increased population and higher inflation rate. Hence, per capita public expenditure at constant prices has increased from Rs. 215 in 1975-76 to Rs. 1089 in 2014-15, which means the increase is only 5 fold.
- Per children education expenditure (6 to 14 years age group) of the state was Rs.1904 during 2001-02, which increased considerably to Rs.7476 for the year 2011-12.
- In per children education expenditure, Mysore division (with Rs. 2227 in 2001-02 and Rs. 8378 in 2011-12), is in the first position followed by Bangalore division (Rs. 1974 and Rs. 8030), Belgaum division (Rs. 1852 and Rs. 7258) and Gulbarga division (Rs. 1397 and Rs. 5562). Increase of per children expenditure on education from 2001-02 to 2011-12 is around 4 per cent in all the divisions, which is more or less same.

- Uttar Kannada district is in the first position (Rs. 2943 in 2001-02 and Rs. 10889 in 2011-12) in per children education expenditure.
- Mid-day meals programme is serving 120,000,000 children in over 1,265,000 schools and Education Guarantee Scheme centres, it is the largest such programme in the world.
- Number of primary schools has increased significantly from 27050 in 1960-61 to 60036 in 2012-13
- Compound annual growth rate from 1960-61 to 2012-13 (total of 52 years) is 1.53 per cent per annum.
- From 1990-91 to 2000-01, has the highest compound annual growth rate of 2.25 per cent, among the selected decades.
- In case of inter district disparity in primary schools per lakh population - between south and north, south Karnataka (CV 27.90%) has higher inter-district disparity than north Karnataka (CV 24.25%). Among the divisions, Belgaum (CV 32.23%) has the highest inter-district disparity followed by Mysore (CV 29.33%) division. Gulbarga (CV 12.85%) division has very least inter district disparity among the divisions.
- In Karnataka, there are 31.30 primary schools per 100 sq. km. area. Between the regions, southern region (36.98) has more number of schools than northern region (26.36).
- Among the divisions Bangalore (43.02) and Mysore (30.08) division have more number of primary schools per 100 sq. Km. area than those of Belgaum (26.52) and Gulbarga (26.15) divisions.
- It is found that Kodagu is in the top position in education infrastructure index with the value of 1. Contrary to this Koppal with the index value of 0.109 has been found in the last position.
- Analysis on- inter-district disparity in education infrastructure index of EDI, shows that south Karnataka (CV 4.98%) has very lower inter district disparity than north Karnataka (CV 29.34%).
- In education infrastructure index, among the divisions, Mysore (CV 4.16%), Bangalore (CV 5.76%) and Belgaum (CV 7.86%) divisions have more or less similar inter-district disparity, whereas, Gulbarga (CV 42.07%) has very high inter-district disparity.
- Electricity is found in all the schools of 22 districts, among the 30 district of the state.
- With respect to play grounds, 56 per cent of schools in the state have this facility. Between north and south, north Karnataka has 61 per cent of schools with play grounds, whereas, in south, only 52.2 per cent of schools have this facility.
- Around 75 per cent of primary schools in the state have compound walls. South is in the better-off condition in this facility with 80 per cent of schools, while, north has only 68.6 per cent of schools.
- Per teacher around 25 students are there in primary schools. For north Karnataka STR (student teacher ratio) is 1:27.74, while in south Karnataka it is 1:22.60. It means number of teachers in northern part of the state is lower than southern part.
- North Karnataka has 70.30 per cent of literacy rate and south has 76.57 per cent of literacy rate. The gap of south and north is 6.27 percentage points.
- In both regions, female literacy rate is lagging behind. Moreover the gap of male and female literacy is high in north (18.26 per cent point) than south (13.26 per cent points).
- Hyderabad Karnataka region (Gulbarga Division) has no districts either in top 5 or in top 10 positions in literacy rate.
- Inter district disparity in Karnataka is high in north Karnataka (CV%-12.04) than south Karnataka (CV%-9.54).
- It is found north Karnataka has higher Gross Enrolment Ratio (106.11) than south Karnataka (98.45). Gulbarga division (106.11) has the highest and Mysore division has the lowest (98.28) average enrolment ratio of among the divisions.
- Gross Enrolment ratio is very high in Bangalore U (134.92), Bidar (124.13), Mysore (117.89) and Raichur (113.44). On the other hand it is low in the districts like Kodagu (89.29) Uttar Kannada (91.55), Mandya (93.17), Shimoga (93.18) and Kolar (93.74).
- Bangalore (CV 13.27%) and Gulbarga (CV 9.12%) divisions have higher inter-district disparity than Mysore (CV 8.79%) and Belgaum (CV 5.17%) divisions in enrolment ratio in primary level
- Retention rate in Karnataka is 92.31 per cent. There is a slight variation in the retention rate of girls (92.26%) and boys (92.36%). Between south and north, south Karnataka (94.26%) has the highest retention rate than the north Karnataka (88.15%).
- Between the regions north Karnataka has very high dropout rate of around 4.5 per cent, whereas in south Karnataka it is 1.80 per cent. Gulbarga division is in the worst condition with 5.65 per cent of average annual dropout rate followed by Belgaum (3.50 per cent), Bangalore (2.10 per cent) and Mysore (1.46 per cent) Divisions.
- Udupi and Bangalore Urban districts have no dropout rates. Dropout rate is less than one in three district viz., Bangalore Rural (0.21%), ChamaraJanagar (0.38%) and Dakshina Kannada (0.27%).
- Dropout rate is very high in Dharwad (8.07%) and Yadgir (8.52%) districts. In all the districts of the state dropout rate of girls is higher than the drops out rates of boys.
- Mysore division (85.15) has the highest inter-district disparity followed by Belgaum (67.07), Bangalore (59.10) and Gulbarga (40.88) divisions.
- Transition rate is 94.62 per cent in Karnataka, for boys it is 94.96 per cent for girls it is 94.25 per cent. Between north and south there is a huge variation. In south Karnataka, transition rate from primary to upper primary level is 98.04 per cent, whereas, in north Karnataka it only 91.05 per cent.
- Among the districts Bangalore U has the highest per capita income, which is Rs. 183607. Yadgir district has the lowest per capita income with only Rs. 33895. Bangalore U district's per capita income is more than 5.4 times than that of Yadgir district.

Suggestions

No doubt expenditure on education has to be increased; further, whatever the money is being spent on education should be reached the targeted people. Most of money spent on education is going on reaching only means; it also should reach the end. Moreover it should achieve the targeted goals then only spending will be meaningful.

In different regions, for lower educational attainments, different reasons are found. Hence, in state, district, taluk and village level education development committees should be set-up including teachers, politicians, officials, researchers, academicians, activists/NGO people and common people. These committee should formulate, monitor area specific plans. So that regional imbalances can be decreased in education level.

Per student education expenditure should be fixed for different education levels for different educational activities, which will make improvement the educational expenditure very meaningfully.

There are many education schemes in Karnataka. Importance of these schemes should be popularised, through canvassing them to the people through different Medias like TV, radio, news papers and through street drams etc., so that people will get more benefits from them.

Creation of awareness among the people is more important for successful implement the education programmes/schemes, which can be done with the help of NGOs.

Number of schools should be improved wherever is necessary. Transport facilities should be provided for some of remote villages, so that boys and girls enrolment can be improved.

Not only providing infrastructure facilities like-drinking water, electricity, toilet facility, play grounds furniture and so on in quantitative terms but also qualitative improvements should also take place. Drinking water should be hygienic. Toilets should be clean and should be maintained properly. Without providing adequate amount of water, use of toilet facility cannot be expected. Hence, adequate water facilities should be provided for toilets in schools. Further, importance of sanitation should be taught in the schools, which will improve the proper use of toilets facility. Along with play grounds, tools and equipments of different games should be provided to the students. Using the local materials play grounds should be improved for different games not only for one or two games. Well trained physical education teachers should be appointed.

Regional disparity is rampant in education status as well as education infrastructure facilities in Karnataka. There is an urgent need to reduce this regional disparity with proper programmes. The districts of Gulbarga and Belgaum divisions are more backward than the districts of Mysore and Bangalore divisions. Provision of 371J will be a great step taken by the government to improve this region. To support 371J, state government should formulate plans from gross-root level for the development of the education status of region. No doubt north Karnataka in general and Hyderabad Karnataka in particular should be given more importance, along with this, some southern backward districts like Chamarajanagar and Chitradurga should also be given special emphases for the development of education condition.

References

1. Barro R. Economic growth in a cross-section of countries, *Quarterly Journal of Economics*. 1991; 56:407-43.
2. Barro R, Sala-I-Martin X. *Economic Growth*. New York: MCAGRaw – Hill.
3. Mankiw NG, Romer D, Weil DN. A Contribution to the empirics of economic growth, *Quarterly Journal of Economic*. 1992; 107:407-37.
4. Joshi Seema. Impact of Economic Reforms on Social Sector Expenditure in India, *Economic and Political Weekly*. 2006; 28:358-365.
5. Jung JH. Personal Income Distribution in Korea, 1963-1986: A Human Capital Approach”, *Journal of Asian Economics*. 1992; 3:57-71.
6. Morris D. *Morris Measuring the condition World’s poor, the physical quality of Life Index*, Oxford Paragmon Press, 1979.
7. Psacharopoulos GC. *Returns to Education: An International Comparison* New York: Elsevier, 1973.
8. Psahoropoulos G. *Building Human Capital for Bette Lives the World Bank*. Washington, DC, 1995.
9. Schultz TW. Reflections on Investment in Man. *Journal of Political Economy*. Supplement. 1962; 70:1-18.
10. Tilak JBG. Education and Poverty. *Journal of Human Development*, 2002, 191-207.
11. Rajkumar AS, Swaroop V. Public spending and outcomes: Does governance matter? *Journal of Development Economics*. 2008; 86(1):96-111.
12. Rao M Govinda, Choudhury Mita. *Financing Human Development in Karnataka, Background Paper for Second Karnataka Human Development Report*, National Institute of Public Finance and Policy, New Delhi, India, 2005.