

Household Expenditure Pattern on School Education in India: Evidence from NSSO Data

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This paper is an attempt to study the pattern of the household expenditure in school education in India. Three age groups are considered for the analysis: Primary school age group (5-10 years), Upper Primary school age group (11-14 years) and Secondary and Higher Secondary school age group (15-18 Years). Using NSSO 71st (2014) round unit level data, it is found that there is: (a) higher average household expenditure in urban area than that of rural, (b) substantial gap in average expenditure for male and female students and (c) average household expenditure is higher in the developed states. The major components of household expenditure for all the age groups are course fee; and expenditure on books, stationary and uniform at all India level. The percentage share of private coaching becomes higher while moving to higher age groups.

The elasticity of substitution is estimated separately for religion, caste and state specific at different age level as mentioned above. It is found that a household is ready to spend more than one per cent due to one per cent change in household consumption expenditure for all states, religions and social groups. The values of the estimated coefficients become less from age group 5-10 to the age group 15-18 in most cases. This implies that guardians do not want to give up the opportunity cost to be spent on their children. This suggest that government should invest more in education sector to attract more household expenditure on education as households positively respond to the change in consumption expenditure.

I Introduction

The public expenditure in social sector is reckoned as the most significant factor for the higher achievement in human development. But in case of India, it hovers around two to three per cent (Dreze and Sen 2012). To bring all the children into the ambit of formal school system, 'The Right of Children to Free and Compulsory Education Act' or Right to Education Act (RTE) in 2010 was introduced to provide free and compulsory education to all children aged 6 to 14 years. But, the estimation of National Sample Survey Office (NSSO) (Ministry of Statistics, 2014) unit level data of 71 round data reveals that 7.2 per cent

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