

Economic Burden of Implementing New Education Policy 2020: An Analytical Study

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ABSTRACT

The National Education Policy (NEP) 2020 represents one of India's most ambitious education reform frameworks, seeking structural transformation across school education, higher education, teacher development, digital learning, inclusion, and governance. While the policy promises long-term gains in human capital formation, employability, innovation, and social equity, its implementation carries a substantial and multi-layered economic burden. This paper examines the financial implications of implementing NEP 2020, with particular attention to the fiscal pressures on the central and state governments, educational institutions, and households. The study argues that the cost burden emerges not merely from expanded public spending, but also from recurring expenditure on teacher recruitment and training, digital infrastructure, early childhood care and education, curriculum redesign, institutional restructuring, equity measures, and administrative transition. NEP 2020 itself acknowledges that public expenditure on education in India has been around 4.43% of GDP and calls for raising it to 6% of GDP, indicating the scale of fiscal expansion required for effective execution. The paper further situates this burden within the context of rising contemporary education allocations, including the Ministry of Education's ₹1,39,289.48 crore budgetary allocation for 2026–27, which reflects continuing financial commitment but also underlines the magnitude of resources needed. By analyzing direct, indirect, short-term, and long-term costs, the paper concludes that the economic burden of NEP 2020 should be understood as a developmental investment; however, its success depends on equitable burden-sharing, strong Centre–State fiscal coordination, phased implementation, and efficient resource utilization.

Keywords: National Education Policy 2020; economic burden; education financing; public expenditure on education; fiscal federalism; school education reform; higher education reform; implementation cost; India; human capital investment.

Introduction

The National Education Policy (NEP) 2020 marks one of the most comprehensive reform agendas undertaken in India's education sector since independence. It seeks to transform the structure, governance, content, and delivery of education across the entire continuum, from early childhood care and education (ECCE) to schooling, teacher education, vocational education, and higher education. The policy proposes far-reaching structural changes such as the 5+3+3+4 curricular framework, universalization of foundational literacy and numeracy, multidisciplinary higher education, institutional restructuring, technology integration, flexible learning pathways, and stronger inclusion measures. At the level of vision, NEP 2020 is framed as a nation-building instrument designed to enhance quality, equity,

access, and employability in line with India's long-term developmental goals. However, the scale of these reforms also raises an equally important question: what is the economic burden of implementing such an ambitious policy?

This question is especially significant because education reform in India has often been constrained not by lack of policy imagination, but by limitations in public finance, state capacity, institutional readiness, and uneven implementation across regions. NEP 2020 itself acknowledges that public expenditure on education in India has remained around 4.43% of GDP and reiterates the long-standing national aspiration of increasing this to 6% of GDP. This gap is not merely statistical; it represents the magnitude of additional fiscal commitment required to convert policy intent into actual institutional change. Since NEP 2020 is expected to be implemented in a phased manner over the coming decade, its economic implications are not confined to one-time spending, but extend to sustained and recurring commitments in infrastructure, teacher recruitment, professional development, digital systems, inclusion support, curriculum redesign, and governance reform.

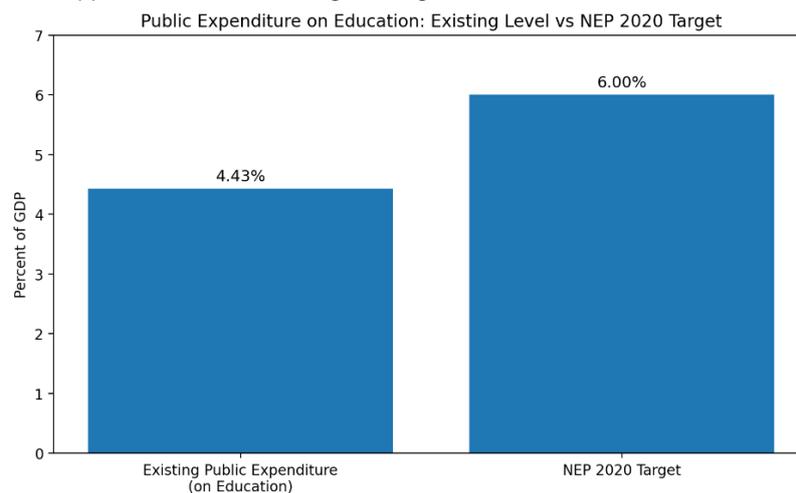


Figure 1: Public Expenditure on NEP vs NEP Target

Source: Curated by the author

Scholarly discussions on education finance in India help place this issue in a wider context. J. B. G. Tilak, one of the most important scholars on education financing in India, has long argued that educational expansion without adequate and equitable financing creates structural distortions, including overdependence on private expenditure, unequal access, and compromised quality. His work on the financing of elementary and higher education consistently shows that educational reform must be studied through the lens of who pays, how much is paid, and with what distributive consequences. In the Indian context, Tilak's broader body of work is especially relevant because NEP 2020 substantially expands both the scope and expectations of public education, thereby intensifying long-standing financing concerns rather than replacing them.

Similarly, Saumen Chattopadhyay has raised important concerns about the financing and institutional direction of higher education in the wake of NEP 2020. His analyses suggest that while the policy presents a transformative framework, its implementation depends heavily on the robustness of public funding, especially for universities and state-supported institutions that already face resource pressures. Chattopadhyay's critique is particularly useful for this paper because it highlights a central contradiction in Indian education policy: reforms are often expansive in design, but their execution is threatened by underfunding, institutional fragility, and increasing pressures toward cost recovery. In that sense, NEP 2020 may be visionary in ambition, but its realization is inseparable from the financial architecture that supports it.

The financial dimension of educational rights and reform has also been emphasized by Sukanya Bose, Priyanta Ghosh, and Arvind Sardana, whose work on financing the right to education underlines that educational commitments in India cannot be meaningfully achieved without adequate fiscal provisioning, transparent burden-sharing, and sustained state investment. Their line of argument is highly relevant to the present topic because NEP 2020 widens the scope of educational responsibility. It is no longer confined to expanding enrolment; it now includes quality, inclusion, digital readiness, multidisciplinary learning, skilling, and institutional transformation. Each of these components carries specific costs, and together they create a layered economic burden spread across the central government, state governments, public institutions, private institutions, and households. (Economic and Political Weekly).

Table 1: Scale of India's Education System

Indicator	Value	Source base
School students	24.8 crore	UDISE+ 2023-24
Schools	14.72 lakh	UDISE+ 2023-24
Teachers	98 lakh	UDISE+ 2023-24
Higher education enrolment	4.33 crore	AISHE 2021-22

The burden becomes even more significant when viewed against the actual scale of India's education system. Recent official data show that the country's school sector serves about 24.8 crore students through roughly 14.72 lakh schools with around 98 lakh teachers, while the higher education system has crossed 4.33 crore enrolments. Any reform in such a system, even if modest per institution or per learner translates into a very large aggregate fiscal requirement. Moreover, infrastructure deficits remain visible, particularly in digital readiness. Recent official reporting indicates that while the share of schools with computers and internet has improved, it is still far from universal, implying that digital implementation under NEP 2020 requires substantial additional investment. Thus, the economic burden of implementation is not an abstract policy issue; it is a real, measurable challenge linked to the scale, diversity, and uneven capacity of Indian education. (pib.gov.in) (education.gov.in)

At the same time, it would be analytically incomplete to view this burden only as a fiscal strain. Educational expenditure is also an investment in human capital, productivity, employability, social mobility, and long-term economic development. Therefore, the real policy question is not whether NEP 2020 is expensive, it undoubtedly is, but whether India can finance it efficiently, equitably, and sustainably. This paper, therefore, examines the economic burden of implementing NEP 2020 by analyzing its major cost drivers in school and higher education, the burden-sharing dynamics between the Centre and the States, the hidden and indirect costs borne by institutions and households, and the tension between short-term fiscal pressure and long-term developmental returns. The central argument of the paper is that the implementation of NEP 2020 creates a significant and multi-layered economic burden, and that the success of the policy will depend not only on its educational vision but on the financial capacity and governance mechanisms that support its execution.

Review of Literature

The literature relevant to the economic burden of implementing NEP 2020 emerges from four overlapping streams: education finance, the economics of equity in education, higher education funding, and recent implementation studies on NEP 2020. Although a large body of scholarship in India has examined educational access, public expenditure, and institutional reform, the specific question of the economic burden of implementing NEP 2020 is still developing. Existing studies suggest that the issue cannot be understood only in terms of budget allocation; it must also be analyzed through resource gaps, fiscal federalism, infrastructure deficits, teacher preparedness, and the shifting cost burden from the state to institutions and households.

A foundational contribution to this debate comes from J. B. G. Tilak, whose long-standing work on educational finance in India provides the conceptual base for analyzing policy costs. Tilak's studies on higher education financing argue that educational expansion is inseparable from questions of resource mobilization, public subsidy, equity, and cost-sharing. In his work on financing higher education, he

highlights that resource constraints often push systems toward alternative financing methods, including greater private participation, fee-based cost recovery, and household-level burden. This is directly relevant to NEP 2020 because the policy proposes expansion, restructuring, and quality enhancement on a system-wide scale, all of which require sustained funding. Tilak's broader scholarship also emphasizes that education spending is not only a fiscal matter but an issue of social justice, since unequal financing tends to reproduce unequal access and outcomes.

The concern that financing educational reform has strong distributive consequences is also reflected in the work of Sukanya Bose, Priyanta Ghosh, and Arvind Sardana. In their analysis of financing the right to education, they assess resource gaps across Indian states and present a concerning picture of uneven capacity to meet educational commitments. Their work is especially important for an NEP 2020 analysis because it shows that the burden of educational implementation is not uniform across the country. States differ widely in fiscal strength, demographic pressure, and institutional readiness; therefore, a national reform policy can produce unequal implementation outcomes unless resource distribution is consciously equalized. Their approach supports the argument that the economic burden of NEP 2020 should be studied not only at the aggregate national level, but also through a state-wise and inter-governmental perspective.

In the field of higher education policy, Saumen Chattopadhyay has contributed to debates on state intervention and alternative financing mechanisms. His work revisits the role of the government in educational finance and discusses the implications of shifting toward non-state sources of funding. This perspective is highly relevant to NEP 2020, particularly because the policy envisions multidisciplinary institutions, expansion of quality higher education, increased research orientation, institutional restructuring, and flexible academic systems, all of which are financially intensive. Chattopadhyay's line of analysis suggests that if public financing remains inadequate, institutions may increasingly rely on internal revenue strategies, thereby transferring part of the policy burden to students and families. Such a possibility is important in any critique of NEP 2020's economic burden, especially in relation to equity and affordability.

A more direct engagement with the policy's financial dimension appears in the work of Mona Khare, who explicitly discusses the financial implications of NEP 2020. Khare's intervention is important because it treats the implementation of the policy as a matter of collective public responsibility and underlines that the reform cannot succeed without significant additional investment. Her work points to key cost areas such as expansion of access, quality improvement, institutional transformation, and the need to invest in education as a "common good." This is especially useful for the present paper because it bridges the gap between general debates on educational finance and the specific fiscal realities created by NEP 2020. In methodological terms, Khare's contribution helps frame NEP implementation not as an abstract reform exercise, but as a budgetary and policy-prioritization challenge.

Recent implementation-focused studies on NEP 2020 further expand this discussion by highlighting the practical constraints that generate economic pressure. Contemporary papers on NEP implementation repeatedly identify inadequate funding, infrastructure shortages, digital gaps, weak institutional capacity, and insufficient teacher training as major barriers. While many of these studies are descriptive, they are still valuable because they reveal the concrete channels through which policy ambition becomes financial burden. For example, recent work on higher education institutions emphasizes that reforms such as multiple entry–exit systems, multidisciplinary restructuring, and technology-enabled administration are desirable in principle but costly in practice, especially for rural and state-funded institutions. These findings reinforce the view that NEP 2020 implementation costs are not limited to new buildings or formal budget lines; they also include administrative, transitional, and compliance costs.

Another emerging area in the literature concerns teacher readiness and digital learning under NEP 2020. Recent studies note that even where the policy framework is well understood, implementation is slowed by the need for extensive teacher orientation, pedagogical retraining, and technological adaptation. This is a significant economic issue because teacher professional development is not a one-time expenditure; it is a recurring cost linked to workshops, monitoring, training systems, curriculum support, and digital enablement. Literature on digital learning under NEP 2020 also emphasizes the need for robust infrastructure, device access, connectivity, and high-quality digital content, especially if reform is to remain inclusive rather than deepen inequality. These studies strengthen the argument that the

burden of implementation includes both visible costs (technology and training budgets) and hidden recurring costs (maintenance, upgrades, support systems, and inequality correction).

A recurring theme across the literature is that education reform in India often suffers from a gap between normative policy goals and fiscal-operational capacity. NEP 2020 itself is expansive and transformative, but the literature suggests that implementation success depends on whether resources are available in a predictable, equitable, and sustained manner. The existing scholarship broadly agrees on three points: first, educational reform requires more than symbolic budget increases; second, financial burden is distributed unevenly across governments, institutions, and households; and third, inadequate financing can distort the policy's equity goals by increasing private dependence and widening regional disparities. At the same time, most existing studies examine either the policy's philosophical vision or its implementation challenges in general terms. Fewer studies isolate the economic burden as a central analytical category.

Thus, the gap in the literature lies in the absence of an integrated analysis that brings together public expenditure requirements, institutional restructuring costs, state-level fiscal asymmetries, household-level indirect burdens, and the distinction between short-term costs and long-term returns. The present paper addresses this gap by treating NEP 2020 not only as an educational reform framework but also as a major fiscal and developmental project. It argues that the economic burden of implementation is multi-dimensional and must be assessed through a combined lens of education finance, policy implementation, and equity economics.

Objectives

The present paper seeks to examine the economic burden associated with the implementation of the National Education Policy 2020 in India. While the policy has been widely appreciated for its transformative vision, its successful implementation requires substantial financial commitment across multiple layers of the education system. In this context, the study is guided by the following objectives:

- To examine the major financial implications of implementing NEP 2020 in school and higher education in India.
- To identify the principal cost drivers involved in the implementation of NEP 2020, including infrastructure development, teacher recruitment and training, digital integration, curriculum restructuring, and inclusion-related expenditure.
- To analyse the distribution of the economic burden among the central government, state governments, educational institutions, and households.
- To assess the hidden and indirect costs of implementation, such as administrative transition, compliance burden, household digital expenditure, and temporary duplication of systems.
- To evaluate whether the economic burden of NEP 2020 should be viewed as a short-term fiscal strain or a long-term developmental investment.
- To suggest policy measures for reducing implementation stress through phased financing, equitable burden-sharing, and efficient resource allocation.

Methodology

This paper is based on a descriptive and analytical research design. The study does not rely on primary field data; instead, it adopts a secondary-data-based policy analysis approach to understand the economic burden of implementing NEP 2020. Since the topic concerns a national public policy whose outcomes are still unfolding, a conceptual and document-based methodology is most appropriate.

The study primarily uses secondary sources such as the National Education Policy 2020 document, Government of India reports, Ministry of Education publications, budget statements, Economic Survey references, AISHE data, UDISE+ indicators, and recent academic literature on education finance, higher education funding, and NEP implementation. The use of these sources helps situate the analysis within both policy intent and practical implementation realities. NEP 2020 explicitly states that India's public expenditure on education has been around 4.43% of GDP and reiterates the need to move toward 6% of GDP, making public finance a central analytical concern for this study.

In addition to official policy documents, the study is informed by the work of scholars such as J. B. G. Tilak, Saumen Chattopadhyay, Mona Khare, and others who have written on educational financing, equity in access, state support, and institutional funding constraints. Their contributions provide the theoretical and critical basis for interpreting policy implementation not merely as administrative execution, but as a question of resource mobilization, distributive justice, and fiscal sustainability. This author-based literature is used to frame the analysis of cost burden across different stakeholders.

- The methodology follows a thematic analytical framework. Data and arguments are organized into key themes:
- School education cost burden.
- Higher education cost burden.
- Fiscal federalism and Centre–State burden sharing.
- Hidden and indirect implementation costs.
- Long-term economic returns versus short-term fiscal pressure.

This thematic structure allows the study to move beyond simple budget discussion and examine the broader economic implications of reform.

The paper also adopts a comparative interpretive approach wherever relevant. For instance, existing expenditure levels are compared with NEP's funding aspirations, and present infrastructural realities are compared with the requirements implied by the policy. Recent official data show that schools with computers increased from 38.5% in 2019–20 to 57.2% in 2023–24, while internet access rose from 22.3% to 53.9% over the same period. These improvements are significant, but they also indicate that large infrastructural gaps remain, implying continued implementation costs under NEP 2020.

Similarly, the study uses higher education enrolment trends to contextualize the scale of reform. Official data indicate that higher education enrolment rose from 3.42 crore in 2014–15 to 4.33 crore in 2021–22, while the Gross Enrolment Ratio (GER) increased from 23.7 to 28.4. This expanding scale strengthens the argument that implementation costs under NEP 2020 are likely to rise further as access, quality, flexibility, and institutional restructuring are pursued simultaneously.

Since the paper is primarily analytical and policy-oriented, no advanced statistical tools are proposed. Instead, the study uses qualitative interpretation supported by descriptive data, simple comparisons, and visual representation through graphs, tables, and conceptual figures. This method is suitable because the objective is not to test a narrow causal hypothesis, but to critically examine the dimensions and implications of economic burden under a major national reform framework.

The scope of the study is limited to the Indian context and focuses specifically on the implementation burden arising from NEP 2020. As the policy is still being implemented in phases, the paper does not claim to measure the final realized cost of implementation. Rather, it analyses the likely and emerging economic burden using available policy commitments, fiscal indicators, and implementation trends. Thus, the methodology is forward-looking, interpretive, and grounded in currently available secondary evidence.

Analysis and Main Discussion

- **The economic burden begins with a structural financing gap**

The economic burden of implementing NEP 2020 begins with a basic macro-fiscal reality: the policy seeks systemic transformation while India's public spending on education has remained below the benchmark the policy itself endorses. NEP 2020 notes that public expenditure on education was about 4.43% of GDP and reiterates the goal of raising it to 6% of GDP. This difference is not merely symbolic; it represents the baseline financing gap that must be bridged if the policy's promises are to move beyond declaration into actual institutional change.

This financing gap is especially significant because NEP 2020 is not a narrow sectoral reform. It simultaneously expands responsibilities in early childhood education, foundational literacy, school restructuring, teacher development, digital education, multidisciplinary higher education, institutional governance, research, inclusion, and vocational integration. When multiple reform layers are introduced together, expenditure rises not in a linear manner but cumulatively. Thus, the burden of implementation should be understood as a compound burden, one that includes both new spending obligations and the intensification of existing deficiencies.

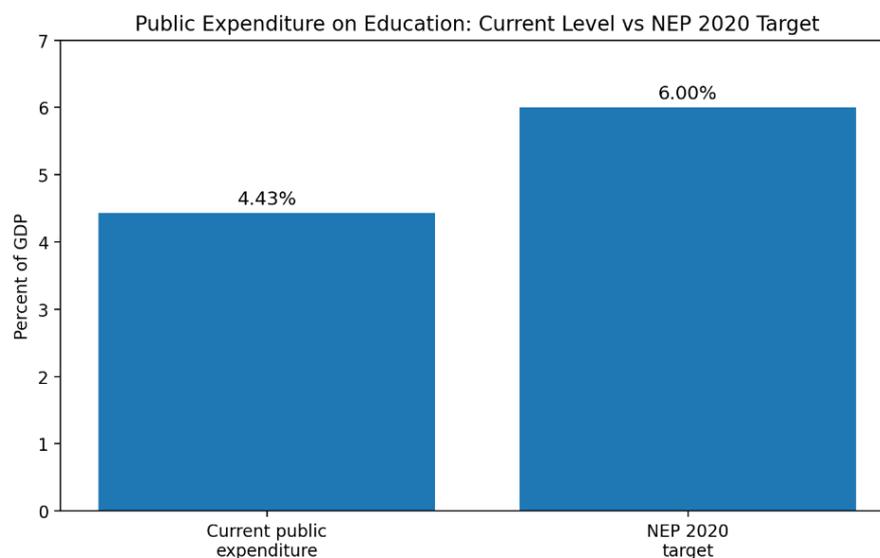


Figure 2: Public Expenditure on Education: Current Level vs NEP 2020 Target

Source: Curated by the author

- **School education carries the heaviest immediate implementation load**

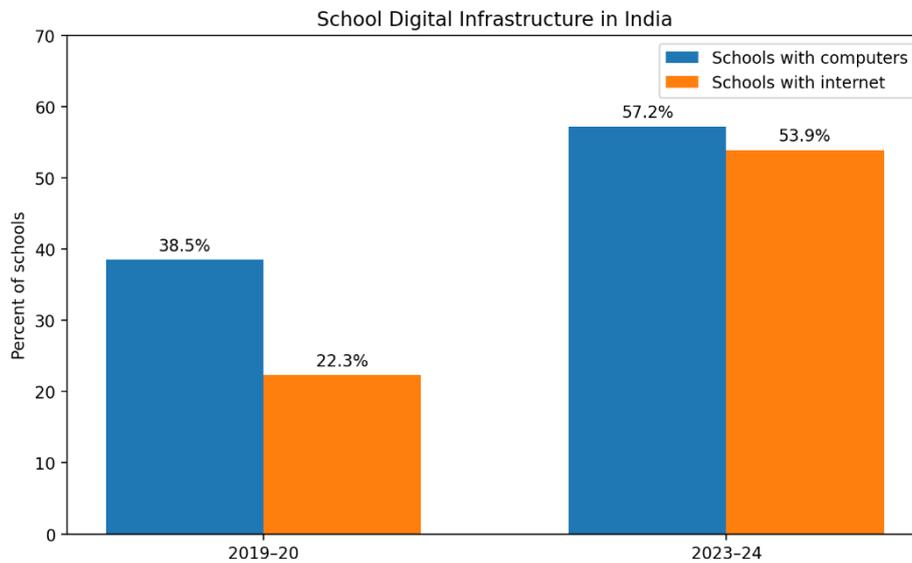
In practical terms, the school sector is likely to bear the heaviest immediate burden of NEP 2020 implementation because of its sheer scale. India's school education system serves about 24.8 crore students across roughly 14.72 lakh schools with around 98 lakh teachers. In a system of this magnitude, even modest per-school or per-student reform costs translate into very large aggregate expenditure.

A major source of expenditure arises from ECCE and foundational learning. NEP 2020 gives high priority to universal early childhood care and foundational literacy and numeracy, but these goals require investment in Anganwadi-school convergence, learning material, dedicated training, assessment tools, and teacher support systems. The economic burden here is partly capital-oriented (facilities, equipment, classroom readiness) and partly recurring (training, monitoring, pedagogical support, and maintenance). Because foundational reforms must be implemented nationwide and sustained over time, they create a continuing fiscal obligation rather than a one-time reform outlay. (Education Government of India)

The second major burden in school education is teacher-related expenditure. NEP 2020 depends heavily on better teacher preparation, continuous professional development, and improved classroom practice. This implies direct financial pressure in the form of recruitment, training, mentoring, academic support, and periodic upskilling. The scale of the teaching workforce means that even low-cost training per teacher becomes expensive at national level. More importantly, because pedagogy reform is central to the policy, teacher expenditure becomes a recurring implementation cost rather than an optional support activity.

A third and highly visible burden is digital infrastructure. Official reporting shows progress: the proportion of schools with computers increased from 38.5% in 2019–20 to 57.2% in 2023–24, while internet access rose from 22.3% to 53.9% over the same period. These are substantial gains, but they

also show that a large section of schools still lacks the digital readiness needed for technology-led implementation. This means NEP-linked digitalization still requires spending on devices, connectivity, maintenance, training, and technical support. Digital expansion therefore functions both as a reform objective and as a recurring cost centre.



Source: Curated by the author

The burden in school education is also shaped by equity expenditure. NEP 2020 places strong emphasis on inclusion, which requires additional spending on transport support, girls' facilities, accessibility features, scholarships, hostels, remedial support, and region-specific interventions. Such costs are essential for policy legitimacy, but they increase the fiscal weight of implementation. As a result, the school sector under NEP 2020 is not just a site of educational reform; it is the primary arena in which financial ambition and institutional capacity are tested.

Table 2: Major school-level cost drivers under NEP 2020

Reform area	Main expenditure items	Cost type	Likely burden bearer
ECCE expansion	Pre-primary spaces, learning kits, workforce training	One-time + recurring	Centre, States, local bodies
Foundational literacy & numeracy	Teacher training, assessment tools, remedial support	Recurring	States, schools
Teacher development	Recruitment, CPD, mentoring, pedagogy training	Recurring	States, institutions
Digital learning	Computers, internet, devices, maintenance, tech support	One-time + recurring	Centre, States, schools, households
Inclusion measures	Hostels, transport, scholarships, accessibility support	Recurring	Centre, States

- **Higher education reform under NEP 2020 is expansionary and cost-intensive**

The economic burden of NEP 2020 is not confined to schools. In higher education, the policy pushes for multidisciplinary expansion, institutional restructuring, flexible academic pathways, research strengthening, and broader access, all of which carry significant financial implications. Higher education enrolment in India reached about 4.33 crore in 2021–22, up from 4.14 crore in 2020–21 and 3.42 crore in 2014–15. The Gross Enrolment Ratio (GER) also rose from 23.7 to 28.4 over the same broader period. This growth indicates both demand expansion and a widening base of institutions and learners that must be supported under NEP 2020.

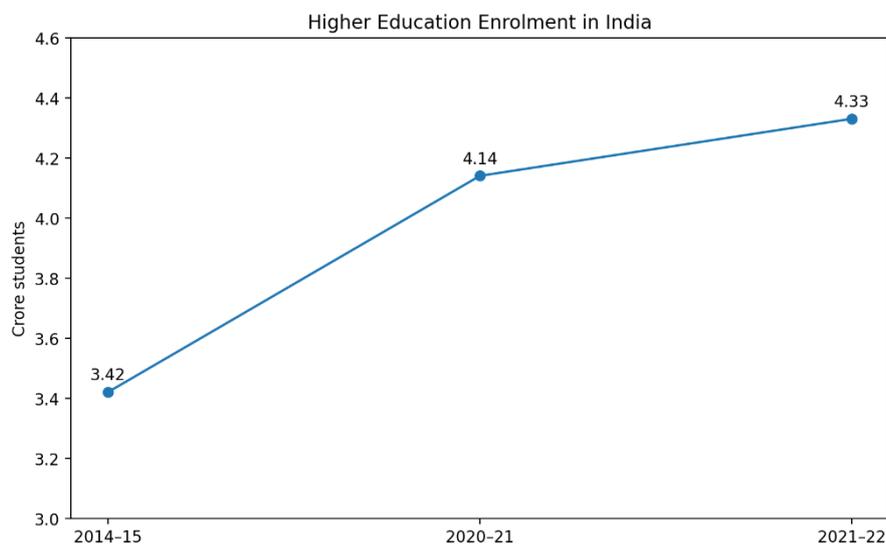


Figure 4: Higher Education Enrolment in India

Source: Curated by the author

One major cost driver is multidisciplinary restructuring. Institutions that were designed as single-stream or narrowly focused colleges are expected to move toward broader academic ecosystems. This requires curriculum redesign, additional faculty capacity, infrastructure adaptation, administrative restructuring, and investment in academic support services. These are not marginal changes; they represent a shift in institutional architecture, and therefore a substantial implementation cost.

A second burden arises from flexibility-oriented reforms, including credit mobility, multiple entry-exit pathways, and digitally coordinated academic records. These reforms may improve student mobility and reduce academic rigidity, but they also require robust digital platforms, administrative coordination, data systems, examination redesign, and counselling mechanisms. In financial terms, this means higher education reform under NEP 2020 produces not only infrastructure costs but also high transaction and compliance costs.

A third cost pressure is linked to research and quality enhancement. NEP 2020 frames higher education as central to innovation and knowledge creation, but serious quality improvement requires spending on laboratories, research grants, faculty development, digital subscriptions, and academic governance. Such investments are often unevenly distributed, meaning better-funded institutions may adapt faster while state universities and smaller colleges face greater strain. This creates a risk that the cost of policy transformation will be absorbed unevenly, thereby reproducing institutional inequality.

- **Budget expansion shows commitment, but not automatic implementation capacity**

Recent budget figures show that the Union government has increased allocations for education, which indicates policy commitment but does not, by itself, eliminate the implementation burden. The Ministry of Education's total allocation for 2026–27 is ₹1, 39,289.48 crore, up 8.27% from ₹1, 28,650.05 crore in 2025–26. Within this, the Department of School Education and Literacy rose from ₹78,572.10

crore to ₹83,562.26 crore (up 6.35%), and the Department of Higher Education rose from ₹50,077.95 crore to ₹55,727.22 crore (up 11.28%). These increases are important, but they mainly show that the fiscal requirement is rising, not that the financing challenge has been solved.

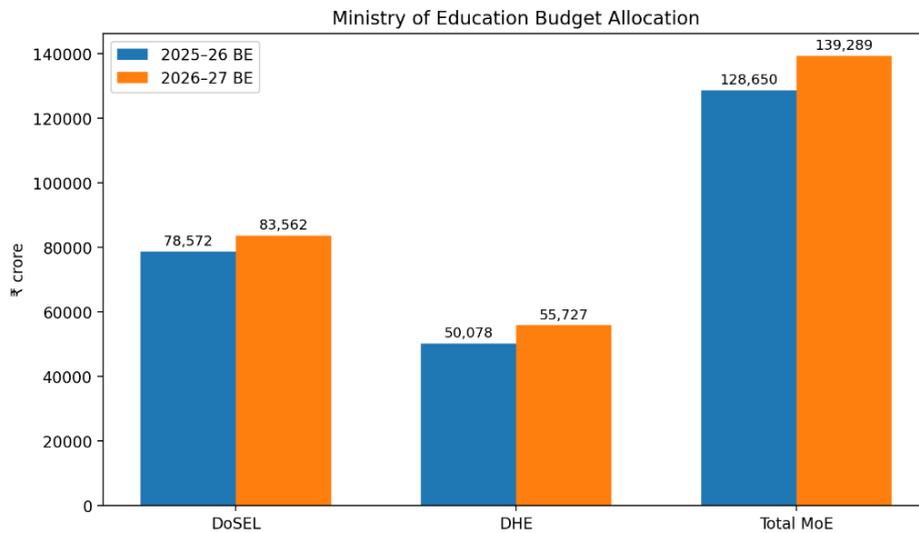


Figure 5: Ministry of Education Budget Allocation: 2025–26 vs 2026–27

Source: Curated by the author

The deeper issue is that NEP 2020 implementation depends not only on central allocations, but also on the ability of states and institutions to convert money into actual reform. Education in India is heavily implementation-dependent at the subnational level. As a result, even when central budgetary support rises, weaker states may still struggle with staffing gaps, infrastructure delays, administrative bottlenecks, and unequal institutional readiness. Therefore, the burden of implementation is not just about the size of the budget; it is about the fiscal and administrative absorption capacity of the system.

Table 3: Ministry of Education budget comparison and what it implies

Category	2025–26 BE (₹ crore)	2026–27 BE (₹ crore)	Increase	Interpretation for NEP burden
School Education & Literacy (DoSEL)	78,572.10	83,562.26	6.35%	School reform remains the largest immediate cost centre
Higher Education (DHE)	50,077.95	55,727.22	11.28%	Faster growth signals pressure to fund restructuring and quality
Total Ministry of Education	1,28,650.05	1,39,289.48	8.27%	Rising commitment, but still below the scale implied by NEP goals

Source: These figures come directly from the Ministry of Education's 2026–27 budget document. (Education Government of India)

- **The hidden burden falls on institutions and households**

An important part of NEP 2020's economic burden is not always visible in formal budget lines. Educational institutions bear compliance and transition costs in the form of meetings, reporting systems, accreditation preparation, academic restructuring, software adoption, timetable redesign, and governance adjustments. These costs are difficult to isolate in a national budget, but they are real and often significant at the operational level. Because many reforms overlap, institutions may temporarily run old

and new systems together, creating duplication costs during transition. This makes implementation more expensive than headline allocations alone suggest.

Households may also absorb part of the burden, especially where public systems remain incomplete. Digital learning, for example, can shift costs to families through devices, internet plans, and transport to better-equipped schools, supplementary tuition, and private support for pre-primary or skill-oriented learning. In that sense, if public financing and public provisioning remain uneven, NEP 2020 can indirectly increase private education expenditure even while pursuing inclusion. This is one of the most important economic contradictions in implementation: a policy designed to improve equity can initially widen inequality if the cost of adjustment is informally transferred downward. (Press Information Bureau)

- **The burden is high, but it should be read as an investment with conditions**

The analysis shows that the implementation of NEP 2020 creates a multi-layered economic burden: a macro-level financing gap, large school-sector obligations, cost-intensive higher education restructuring, rising but still pressured public budgets, and substantial hidden costs for institutions and households. At the same time, the burden should not be interpreted as a purely negative fiscal weight. NEP 2020 is intended to strengthen human capital, productivity, employability, and long-term developmental capacity. The more useful analytical position, therefore, is that the burden is justified only if it is financed equitably, phased carefully, and managed efficiently.

In policy terms, this means the success of NEP 2020 depends less on broad declarations and more on three conditions: stable financing, state capacity, and implementation sequencing. Without these, even increased allocations may produce fragmented outcomes. With them, the economic burden can function as a long-term national investment rather than an unsustainable fiscal strain.

Conclusion and Policy Suggestions

The analysis shows that the implementation of NEP 2020 creates a substantial and multi-layered economic burden across India's education system. This burden arises not only from the need to raise overall public spending on education from about 4.43% of GDP toward the long-discussed 6% target, but also from the wide range of recurring commitments built into the policy such as ECCE expansion, foundational literacy, teacher development, digital infrastructure, institutional restructuring, research support, and inclusion-oriented interventions. NEP 2020 itself makes clear that these reforms require sustained financial, human, and infrastructural investment by both the Centre and the States, implemented in a phased and coordinated manner.

At the same time, the burden should not be understood purely as a fiscal strain. Educational expenditure under NEP 2020 is also a long-term developmental investment aimed at improving human capital, equity, productivity, and national competitiveness. The real challenge, therefore, is not whether the policy is costly, it clearly is, but whether India can finance it efficiently, equitably, and sustainably. If funding remains uneven, delayed, or poorly utilized, the policy may deepen institutional disparities and shift hidden costs to schools, colleges, and households instead of delivering inclusive transformation. NEP 2020 itself warns that timely flow and effective utilization of funds are as important as increasing allocations.

In policy terms, five measures are especially important. First, implementation should follow a phased prioritization strategy, with foundational learning, teacher development, and school infrastructure treated as first-order funding priorities. Second, Centre–State fiscal coordination must be strengthened through predictable grants, joint monitoring, and clearer burden-sharing mechanisms. Third, weaker states and under-resourced public institutions should receive need-based targeted support so that implementation gaps do not widen regional inequality. Fourth, funding systems should emphasize timely release and efficient utilization of resources, reducing unspent balances and administrative bottlenecks. Finally, periodic cost audits and outcome-based reviews should be institutionalized to ensure that rising educational expenditure produces measurable reform outcomes. In this sense, the success of NEP 2020 will depend not only on the strength of its vision, but on the financial architecture and governance discipline that sustain its implementation.

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