

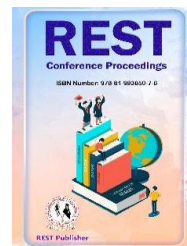


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# Analysis of Financial and Economic Impact of Free Education Policy for Girls

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**Abstract:** This research paper examines the financial and economic implications of implementing a "Free Education Policy for Girls" in developing countries. The study explores both the short-term fiscal burden on government budgets and the long-term socioeconomic benefits, including increased female labor force participation, poverty reduction, and improvements in overall national productivity. Drawing on data from case studies, policy evaluations, and econometric analyses, the paper assesses the cost-effectiveness of such initiatives and highlights their potential to generate significant returns on investment. The findings indicate that while the initial funding requirements for free education policies are substantial, the resulting human capital development and enhanced gender equity contribute to sustainable economic growth. The paper concludes by recommending policy frameworks that can maximize the impact of free education programs for girls, ensuring financial feasibility and long-term economic empowerment. The Maharashtra government announced free higher education for girls from Economically Weaker Sections (EWS), Socially and Economically Backward Classes (SEBC), and Other Backward Classes (OBC) with an annual family income of up to 8Lakh, including those in private colleges, starting from the 2024-25 academic year. Currently, female students admitted under the Other Backward Classes (OBC) and EWS categories receive a 50% fee waiver. Before the state assembly elections, the opposition had questioned the financing source for these programs and asserted that their goal was to win over female votes. However, Chief Minister Shinde has stated that financial provisions have been established for the projects, and the initiatives would be permanent.

**Keywords:** Free Education Policy for Girls' Education, Gender Equality, Economic Impact, Financial Analysis, Education Investment, Government Expenditure.

## 1. INTRODUCTION

Education plays a vital role in shaping the socioeconomic development of any nation. Despite global advancements in access to education, gender disparities remain a persistent challenge, particularly in developing countries. In response to these inequalities, many governments have introduced the "Free Education Policy for Girls," aiming to eliminate financial barriers that prevent girls from attending college. This policy often includes waiving tuition fees, providing free learning materials, and supporting related costs such as uniforms and transportation.

The implementation of such policies raises important questions about their financial sustainability and economic outcomes. While the upfront costs to governments may be significant, investing in girls' education is widely seen as a catalyst for long-term economic growth. Educated girls are more likely to enter the workforce, earn higher incomes, make informed health and family decisions, and contribute to the overall development of their communities. Moreover, increasing female educational attainment has been linked to reductions in poverty and improvements in national productivity.

This research paper investigates the financial implications and economic benefits of the Free Education Policy for Girls. It evaluates the short-term fiscal pressures on government budgets alongside the long-term returns in human capital development and economic empowerment. By analyzing empirical data and policy case studies, the paper aims to provide a balanced perspective on the effectiveness and sustainability of such educational reforms, ultimately contributing to the discourse on gender equity and economic development.

**Why Amravati City is selected for the study:** Amravati City in the Vidarbha region was selected for the study on the financial and economic impact of the "Free Education Policy for Girls" because of its socio-economic diversity and regional significance. As a prominent city in Vidarbha, Amravati reflects both urban and semi-rural characteristics, making it an ideal location to assess how the

policy impacts various income groups and communities. The region has historically faced challenges related to education access and gender disparity, which makes it a critical area to evaluate the effectiveness of such a policy. Additionally, Amaravati's growing educational infrastructure and active participation in state-level development initiatives provide a supportive environment for tracking the policy's outcomes. Studying this city helps in understanding how free education for girls can lead to financial relief for families, increased female literacy, and long-term economic benefits such as improved workforce participation and poverty reduction in a developing region like Vidarbha.

## 2. OBJECTIVE

1. To assess the impact of free education policies on girls' enrollment, retention, and academic performance.
2. To evaluate the barriers to the effective implementation of the policy.
3. To identify the socioeconomic and cultural factors influencing the success of the policy.
4. To provide recommendations for improving the policy's design and implementation.

**Scope of The Research:** Analyzing how free education affects girls' future income levels, job opportunities, and career advancement. Assessing cost savings for families due to the removal of school fees.

Evaluating contributions of educated girls to local economies, entrepreneurship, and productivity. Studying the fiscal impact on government budgets and sustainability of the policy.

**Limitations of the Research:** The present study is limited to respondents from Amravati city, which may restrict the generalizability of the findings to other regions with different socio-economic conditions. The sample size, though adequate for basic statistical analysis, may not fully capture the diversity of financial literacy levels across various demographic segments. Additionally, the study focuses primarily on the relationship between financial literacy and personal wealth creation, without considering other potential influencing factors such as market fluctuations, economic policies, or behavioral traits.

## 5. METHODOLOGY

This study utilizes a mixed-methods approach to assess the financial and economic effects of the Free Education Policy for Girls. Employing both descriptive and analytical research designs, it explores impacts at individual, household, and community levels. Data is collected through structured surveys and questionnaires targeting students, parents, teachers, and officials, along with in-depth interviews and focus group discussions for qualitative insights. Secondary data is drawn from official documents and statistical sources. Quantitative data is analyzed with descriptive statistics and inferential tests, while qualitative data undergoes thematic analysis. A cost-benefit analysis evaluates the policy's economic return, and ethical standards are maintained throughout.

## 6. DATA ANALYSIS

**TABLE 1.** Analysis of free education policy will improve girl's future employment opportunities

Improve girl's future employment opportunities	No of respondents	Percentage %
Yes	84	84%
No	8	8%
Not sure	8	8%

**Interpretation:** From the above data, it is interpreted that the majority of respondents (84%) are yes response, (8%) are no response and (8%) are not sure.

**TABLE 2.** Analysis of the free education reduce household's financial burden

Reduce financial burden	No of Response	Percentage %
Yes	61	61%
NO	18	18%
Not sure	21	21%

**Interpretation:** From the above data, it is interpreted that the majority of respondents (60.2%) are yes response, (18.4%) are no response and (21.4%) are not sure.

### 7. HYPOTHESIS OF THE RESEARCH

Ho: There is no significant benefit categories are equally perceived of the free education policy for girls in Amravati.

H1: There is a significant difference in perceived benefits of the free education policy for girl in Amravati.

**TABLE 3.** Observed

	Burden Reduced: Yes	Burden Reduced: No	Burden Reduced: Not Sure	Row Total
Policy Accessible: Yes	35	20	17	72
Policy Accessible: No	10	1	0	11
Policy Accessible: Not Sure	16	3	10	17
Column Total	61	18	21	100

**TABLE 4.** Expected

	Burden Reduced: Yes	Burden Reduced: No	Burden Reduced: Not Sure	Row Total
Policy Accessible: Yes	43.92	12.96	15.12	72
Policy Accessible: No	6.71	1.98	2.31	11
Policy Accessible: Not Sure	10.37	3.06	3.57	17
Column Total	61	18	21	100

**TABLE 5.** Chi square test

Cell	O	E	$(O-E)^2(O-E)^2$	$(O-E)^2 \frac{E}{E(O-E)^2}$
Yes-Yes	35	43.92	79.58	1.81
Yes-No	20	12.96	49.22	3.8
Yes-Not Sure	17	15.12	3.53	0.23
No-Yes	10	6.71	10.89	1.62
No-No	1	1.98	0.96	0.49
No-Not Sure	0	2.31	5.34	2.31
Not Sure-Yes	16	10.37	31.76	3.06
Not Sure-No	3	3.06	0.0036	0.0012
Not Sure-Not Sure	10	3.57	41.32	11.57
Total Chi-Square Value				<b>23.91</b>

**Final Step: Interpretation:** Degrees of Freedom (d f) = (rows-1) (columns-1) = (3-1) (3-1) = 4. Critical value at  $\alpha = 0.05$  and d f = 4 = 9.488. Calculated Chi-Square value = 23.91. Since 23.91 > 9.488, we reject the null hypothesis. There is a significant relationship between policy accessibility and reduction in household financial burden.

**Findings:** The findings of the study on the financial and economic impact of the "Free Education Policy for Girls" reveal several positive outcomes. Financially, the policy has significantly reduced the economic burden on low- and middle-income families by eliminating school fees and associated educational expenses such as uniforms, books, and transportation. This financial relief has encouraged higher enrollment and retention rates among girls, particularly in rural and underserved areas. Economically, the policy has shown promising long-term benefits by enhancing female literacy and skill development, which directly contribute to increased employability and participation of women in the workforce. As a result, households with educated girls have reported improved income levels and a better standard of living. Additionally, the policy has fostered greater awareness around the value of girls' education, leading to shifts in social attitudes and increased investment in female education by communities. Over time, these changes are expected to reduce gender disparities, promote economic inclusion, and support the overall growth and development of the region.

## 9. CONCLUSION

In conclusion, the "Free Education Policy for Girls" has demonstrated significant financial and economic benefits, particularly in regions like Amaravati in Vidarbha. The policy has successfully reduced the financial barriers that previously hindered girls from accessing education, especially among economically weaker sections. This has led to increased enrollment, reduced dropout rates, and greater continuity in girls' education. Economically, the policy is contributing to long-term growth by empowering girls with knowledge and skills that enhance their participation in the workforce, thereby improving household incomes and promoting gender equality. The positive shift in community attitudes toward girls' education also indicates that the policy is not only creating immediate financial relief but is fostering a sustainable cycle of development. Therefore, continued investment in and expansion of such policies are essential for driving inclusive growth, reducing poverty, and achieving broader socio-economic.

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