

Summary Report

Impact Assessment of “Dr. Ambedkar Scheme of Interest Subsidy on Educational Loans for overseas studies for OBCs/ EBCs”



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EXECUTIVE SUMMARY

"Dr. Ambedkar Scheme of Interest Subsidy on Educational Loans for Overseas Studies for OBCs/EBCs" is implemented by Ministry of Social Justice and Empowerment, Government of India, to award interest subsidy to meritorious students belonging to the Other Backward Classes (OBC) and Economically Backward Classes (EBC) so as to provide them better opportunities for higher education abroad and enhance their employability. The scheme of Interest Subsidy on educational loans for overseas studies promotes educational advancement of students from OBCs and EBCs. This is a Central Sector Scheme to provide interest subsidy for the period of moratorium for the Education Loans for overseas studies to pursue approved courses of studies abroad at Masters, M.Phil. and Ph.D. level. Out of the total outlay in a year, a minimum of 50% amount will be earmarked for Interest Subsidy to the girl candidates. The Scheme is implemented by the Nodal Bank "Canara Bank" as per MoU between the Bank and the Ministry of Social Justice & Empowerment.

Meritorious students under the scheme means, those who have already taken admission in the accredited Universities/Institutions abroad, subject to fulfilment of other eligibility and conditions. However, due to the funds-limited nature of the scheme, while selecting beneficiaries under the scheme, priority will be given to those students who have completed their qualifying education in a Government University/Institution before taking admission abroad. If the course pursued by the student is partly in India and partly abroad, the course will be eligible for interest subsidy, if the Degree is awarded by Foreign University.

The Ministry of Social Justice and Empowerment, Govt. of India engaged Centre for Market Research and Social Development to conduct impact assessment of "Dr. Ambedkar Scheme of Interest Subsidy on Educational Loans for Overseas Studies for OBCs/EBCs". The objectives of this impact assessment study are:

- 1) To make an assessment of the extent up to which the scheme has been successful in delivering the desired benefits to SC students.
- 2) To analyze efficacy and effectiveness of the scheme from the perspective of successful completion of courses by beneficiaries of the scheme within time and gainful utilization of acquired professional and other expertise by way of employment or entrepreneurship.
- 3) To assess the socio-economic background of the beneficiaries.

- 4) To evaluate effectiveness of the scheme towards obtaining higher education in abroad or in India by the selected candidates.
- 5) To ascertain role of the scheme in changing social status of the family after completion of the course by the awardee.
- 6) To make comparison of the scheme with the similar schemes implemented by the State Governments/other Central Government Departments.
- 7) To ascertain the number of students admitted in each discipline (e.g. Engineering/ Medicine/ Dentistry, Law, Management and other specialized streams) under the scheme during the reference period.
- 8) To obtain feedback from admitted students about quality education being provided by the identified institutes.
- 9) To examine the problems, challenges and constraints in implementation of scheme and suggesting policy measures for effective implementation of the scheme.
- 10) To examine the overall impact the scheme has had on SC/OBC/EBC students and the reasons for varied rate of success across different states/UTs.
- 11) To examine about the grievance redressal mechanism at the Institute level.
- 12) To conduct the Strengths, Weaknesses, Opportunities and Threats analysis (SWOT analysis) of the scheme;
- 13) Recommendations/suggestions from beneficiaries for necessary restructuring to be carried in the scheme to achieve desired results and need for its continuation.
- 14) How increased awareness among the targeted people/families living in remote areas of States has prompted the prospective beneficiaries to avail the benefits of various welfare schemes meant for them?
- 15) Improvement in application procedure, selection process and disbursement of Scholarships/subsidies to eligible Students in the reference period of 2010-11 to 2018-19.
- 16) Constraints in obtaining scholarships/subsidies under the scheme in the reference period 2010-11 to 2018-19 from the perspective of beneficiaries and reasons thereof.
- 17) Impact assessment if the name of any particular scheme of Central/State Government has discouraged them from applying under current scheme.
- 18) Examining the effectiveness of the scheme in bridging the educational gap and promoting- social inclusion among disadvantaged communities.
- 19) Assessing the impact of the scheme on gender equality in education, particularly in terms of increased enrolment and retention rates for girls.

- 20) Analysing the role of the scheme in promoting skill development and vocational training among beneficiaries.
- 21) Analysing the long-term outcomes of the scheme, such as improved employability, higher income levels, and enhanced quality of life for the beneficiaries.
- 22) To assess the robustness of procedures for selection of students for various courses and fixation of fee.
- 23) Any other improvements or additions to the scheme that can make it more effective and meet its objective in the present scenario.
- 24) Key findings based on the data collected from the field on the objectives of the study.
- 25) Shortcomings identified in the design of the existing scheme if any; and
- 26) Recommendations/ suggestions for necessary restructuring to be carried in the scheme to achieve desired results and need for its continuation.

The study was based on the explorative, descriptive and analytical approach. Both secondary and primary research was undertaken to generate required information. Separate Interview schedule was prepared for the interaction with the beneficiary students to elicit the desired information.

The reference period for the study is 2014-15 to 2018-19. The list of students benefitted under the scheme during this period with their contact details was collected from the BC division of Ministry of Social Justice and Empowerment as well as from the Canara Bank, which is the nodal bank for implementation of the scheme. As per the ToR, 100 beneficiary students were surveyed through telephone call to them. The data collection for the study was conducted during April and May 2024.

Major Findings

Financial and Physical Achievements under the Scheme

- 1) The data on expenditure incurred under Dr. Ambedkar Scheme of interest subsidy on educational loans for overseas studies for OBCs/EBCs during the reference period of five years (from 2014-15 to 2018-19) shows that the expenditure under the scheme has been increased significantly over the years. The highest expenditure under the scheme was incurred in 2018-19 with an expenditure of Rs. 20.94 crore, and the lowest expenditure was incurred in 2014-15 with an expenditure of Rs. 0.69 crore.
- 2) While the expenditure was Rs. 0.69 crore in 2014-15, it was Rs. 4.25 crore in 2015-16, Rs. 9.77 crore in 2016-17, Rs. 13.83 crore in 2017-18, and Rs. 20.94 crore in 2018-19.
- 3) The average interest subsidy amount of the beneficiary students in 2014-15 was Rs. 79,630/-, in 2015-16 was Rs. 1,10,110/-, in 2016-17 was Rs. 1,96,964/-, in 2017-18 was 1,52,700/-, and the average interest subsidy amount of the beneficiary students in 2018-19 was 1,33,220/-.
- 4) A total number of 6936 students were benefitted under the scheme during 2014-15 to 2018-19. While 173 students were benefitted in 2014-15, 777 benefitted in 2015-16, 1001 in 2016-17, 1821 in 2017-18, and 3164 in 2018-19. The highest number of 3164 students were benefitted in 2018-19, while the lowest number of 173 students were benefitted under the scheme in 2014-15.

Socio-economic background of the students

- 5) The secondary data on the number of male and female students benefitted under the scheme shows that male beneficiaries were 77% of the total beneficiaries, while 23% were female beneficiaries. Also, majority of the surveyed beneficiary students (68%) benefitted under the scheme were male. The percentage of surveyed female beneficiaries is 32%.
- 6) The scheme guideline says "Out of the total outlay in a year, a minimum of 50% amount will be earmarked for Interest Subsidy to the girl candidates". Despite of such guidelines, the study observed that only about 23% girl students have been benefitted under the scheme. The main reason for that, compared to the number of male students, less number of girl students go for overseas studies. Due to this region, it has been difficult to achieve gender equality under the scheme.

- 7) Analyzing the present age of the beneficiary students, it is seen that 11% come under the age group of 27 to 30 years, while 31% beneficiaries belong to the age group of 31 to 35 years, and 58% beneficiaries are in the age group of 36 to 41 years. Since the reference period of the study was 2014-15 to 2018-19, the study observed that majority of the beneficiary students had applied and availed the benefits under the scheme after the age of 25.
- 8) The base locality of the majority (61%) of the surveyed beneficiaries is found to be rural, and the locality of 39% beneficiaries is urban. This shows that the reach of the scheme to the rural areas is significant in benefitting the eligible students.
- 9) Analysis of occupation of the parents/guardians of the surveyed beneficiary students illustrates that 13% are farmers, 39% are casual labour, 6% are in government service, 42% are in private service, and 10% are in business.
- 10) The study observed that 22% beneficiary students' annual family income is up to Rs. 2.5 lakh per annum, while majority (64%) of the students' family income is above Rs. 2.5 lakh to Rs. 5 lakh, and 14% students' family annual income is above Rs. 5 lakh to 8 lakh. The study also found that the annual family income of all 22 EBC students is up to Rs. 2.5 lakh, while annual family income of all 78 OBC students is above Rs. 2.5 lakh to Rs. 8 lakh. It is important to mention that the annual income ceiling for EBC students for the reference period of 2014-15 to 2018-19 was Rs. 2.5 lakh.
- 11) On analysis of the courses being pursued by surveyed beneficiary students during the period of overseas study for which educational loan was taken, it was found that 56% students were studying engineering courses, while 19% were in management courses, 10% were in information technology, 6% were in medical or health care courses, 4% were in humanities or social science courses, 3% in commerce or accounting courses and 2% were doing courses in pharmaceutical science during their overseas studies.
- 12) As per the scheme guidelines, students should have secured admission in the approved courses at Masters, M. Phil or Ph. D levels abroad to be benefitted under the scheme. On analysis of the stage of the course when the students were benefitted for interest subsidy on educational loans for overseas studies reveals that most (96%) students were benefitted during masters courses, while 4% were benefitted during their doctoral courses.
- 13) Since the reference period of the study was from 2014-15 to 2018-19, the study intended to know the highest educational qualification of the beneficiary students. On analysis, it was found that the highest qualification of 96% students is masters and of 4% students is Ph. D.

- 14) The secondary data of the beneficiary students benefitted during 2014-15 to 2018-19 reflects that USA (40%), Australia (13%), Canada (11%), Germany (6%) and UK (5%) were the major destinations for the overseas studies for the students. The survey of beneficiary students observed that 38% students have studied in USA, followed by 11% in Australia, 11% in Canada and 9% in Germany. The other countries for overseas studies for the students were Philippines, France, Sweden, UAE, Ukraine, UK, etc.
- 15) When the beneficiary students were asked about their source of awareness of the scheme, 10% beneficiary students reported that they have come to know about the scheme from the newspaper, while 43% have come to know about the scheme from the internet, 32% have come to know from the friends, and 13% have come to know from their family member. 2% students informed that they came to know about the scheme from the teacher or staff of the educational institutes.
- 16) All the beneficiary students reported that they are not aware of any similar central or state government scheme which has discouraged the OBC/EBC students from applying for benefit under the scheme. Thus, "Dr. Ambedkar Scheme of interest subsidy on educational loans for overseas studies for OBCs/EBCs" is a unique scheme to benefit the OBC/EBC students to financially help them to undertake higher studies in foreign institutes and universities.

Implementation of the Scheme

- 17) The surveyed beneficiary students were asked in which year they were selected to get benefit under interest subsidy scheme. It was found 9% students were selected in 2014-15, 12% students in 2015-16, 28% students in 2016-17, 25% students in 2017-18, and 26% were selected in 2018-19.
- 18) Most (87%) students benefitted under the scheme reported that they did not face any difficulty in getting the benefit under the scheme. The study further found that repeated submission of requisite documents was the problem for some beneficiaries.
- 19) During the interaction with the beneficiary students, the students were asked about the quality of education provided by the institutes on certain parameters like education facilities and infrastructure in the institutes, quality of faculties, teaching & learning pattern, curriculum implementation and assessment, and management & discipline in the institutes. The study observed that the quality of education at the universities/institutes from where the beneficiary students have studied during the period of getting the benefit under the scheme was good. 35% students informed that that the universities/institutes

- provided them very good quality education, while 65% rated the quality of education as good.
- 20) The scheme has been running smoothly since 2014-15 with NIL grievances as of now. A dedicated web portal (developed by Canara Bank) is there for the member banks to submit the claims of eligible students with maker & checker authentication system.
- 21) The study observed that the scheme has been implemented successfully, and at present, there is no shortcoming in the scheme which needs rectification. All the stakeholders of the scheme suggested that the scheme should be continued as per the present design.

Outcomes of the scheme

- 22) Since the study reference period is 2014-15 to 2018-19, all the surveyed students have completed the course for which they had taken the education loan for overseas study.
- 23) Present status of beneficiary students reveals that only 96% students are in job employment, while 4% are self-employed. Thus, the study found that all the beneficiaries benefitted under the scheme during 2014-15 to 2018-19 are presently employed. It was observed that out of total 100 surveyed beneficiary students, 12 students are employed in india (8 job employed and 4 self employed) and 88 students are employed in foreign countries.
- 24) The study further observed that all 96 beneficiary students who are presently job employed are employed in private sector.
- 25) While analyzing the monthly income of the beneficiary students, it was found that monthly income of 13% beneficiaries is up to Rs. 50,000/-, it is above Rs. 50,000/- to Rs. 1 lakh for 18% beneficiaries, it is above Rs. 1 lakh to Rs. 2 lakh for 66% beneficiaries, and the monthly income is above Rs. 2 lakh for 3% beneficiaries.
- 26) 86% beneficiary students indicated that the scheme has helped them to a large extent in successful completion of course in time, while 14% indicated the help was moderate in successful completion of the course in time.
- 27) 11% beneficiary students indicated that the scheme helped them to a large extent to obtain higher education, while 89% indicated it had helped them to some extent to obtain higher education.
- 28) 85% beneficiary students said that the scheme helped to a large extent for changing social status of their families after completion of the course, 13% said the help was

- moderate, and 2% said the help was slight for changing social status of their families after completion of the course.
- 29) 12% beneficiary students said that the scheme helped to a large extent for their skill development and vocational training, while 85% said the help was moderate, and 3% said the help was slight for their skill development and vocational training.
 - 30) 77% beneficiary students informed that the scheme helped them to a large extent in improving their employability, while 16% informed the help was moderate, and 3% informed the help was slight in improving their employability.
 - 31) 16% beneficiary students said that the scheme helped them to a large extent for their employment or entrepreneurship, while 78% said the help was moderate, and 6% said the scheme helped slightly for their employment or entrepreneurship.
 - 32) 76% beneficiary students said that the scheme helped them to a large extent for their enhanced quality of life, while 23% said the help was moderate, and 1% said the scheme helped them slightly for their enhanced quality of life.
 - 33) 65% beneficiary students viewed that the scheme for interest subsidy for marginalized and poor students for overseas studies is very effective in bridging the educational gap and promoting social inclusion, while 35% viewed that the scheme is somewhat effective in bridging the educational gap and promoting social inclusion.
 - 34) 21% beneficiary students feel that the scheme has been successful to a large extent in delivering the desired benefits to OBC/EBC students, while 78% feel that the scheme is somewhat successful and 1% feel that the scheme is slight successful in delivering the desired benefits to SC students.
 - 35) All students viewed that the overall impact of the scheme on the students is excellent or good. While 63% students viewed that the impact of the scheme on the students is excellent, 37% viewed the overall impact as good. This shows that the scheme helps marginalized and poor students in relieving financial burden for the loan taken by them or by their parents for higher education in foreign institutes/universities.
 - 36) The survey of the beneficiary students observed that highest number of students were from Andhra Pradesh, followed by Tamil Nadu, Maharashtra, Kerala, Karnataka and Rajasthan. The beneficiary students of other states were few in numbers. It was observed that majority of the beneficiaries under the scheme were from south region of the country. The Lack of awareness about the scheme in other regions of country is the reason for varied success of the scheme across the states.

- 37) All the surveyed beneficiary students suggested that the Dr. Ambedkar scheme of interest subsidy on educational loans for overseas studies should be continued in the future.

Suggestions

Suggestions for changes in policy for effective implementation of the scheme

- 1) Ministry should make a provision of getting mandatory feedback of the students in the portal after completion of their course. A feedback form should be designed and available on the portal to collect qualitative feedback on the type of difficulties the students faced in getting the benefit under the scheme, suggestions for reducing the difficulties, how the interest subsidy benefitted them in completing their overseas studies with less financial burden, suggestions for improvisation in the scheme guidelines for smooth implementation, etc. On the basis of the feedbacks of the students, time to time policy level changes could be done for the better implementation and impact of the scheme.
- 2) For the purpose of monitoring and transparency, a web enabled monitoring mechanism is put in place by the nodal bank (Canara bank). This helps the Canara bank as well as the disbursing banks in maintaining the details of the interest subsidy awardess by keeping their details such as name, gender, mobile number, email address, present & permanent address, year of being benefitted, amount of interest subsidy, institute/university, country, course, etc. However, the data on their course completion and their present country of residing/working is not maintained. Thus, there should be a provision in the portal to collect the information from the beneficiary students on quarterly basis till their repayment of the educational loan. The interest subsidy may be withdrawn from those students who would not provide these information for continuously three quarters.

Suggestions for necessary restructuring in the scheme that can make it more effective and meet its objectives in the present-day context

- 3) The scheme has been running smoothly since 2014-15 with no grievances from the beneficiary students. A robust procedure is there towards application, selection & award of interest subsidy. In spite of that, the Ministry has instructed that the fresh applications pertaining to interest subsidy under the scheme will not be considered/accepted till further orders. From FY 2023-24, the scheme is discontinued for the time being for fresh applications. Thus, it is suggested to resume the scheme for fresh applications with

specific criteria to be fixed in the scheme to select the required number of fresh candidates in each financial year. This will automatically generate attention and interest among target students to apply under the scheme rather than making them aware about the non-existence of the scheme for fresh students.

Suggestions for other improvements or additions to the scheme that can make it more effective and meet its objective in the present scenario

- 4) As per the scheme guidelines, the annual income ceiling of the family of OBC students is Rs. 8 lakh and for EBC students is Rs. 5 lakh. However, it is suggested to give priority to the poor and needy applicants under the scheme whose annual family income is below Rs. 4 lakh in case of OBC students and Rs. 2.5 lakh in case of EBC students.