# State Grants-In-Aid For Higher Education
# A Comparative Study Of
# Gujarat And Uttar Pradesh

Dissertation submitted to the Jawaharlal Nehru University
in partial fulfilment of the requirements
for the award of the Degree of

**MASTER OF PHILOSOPHY**

[Economics of Education]

**SHAMSUL HAQUE**

ZAKIR HUSSAIN CENTRE FOR EDUCATIONAL STUDIES
SCHOOL OF SOCIAL SCIENCES
JAWAHARLAL NEHRU UNIVERSITY
NEW DELHI - 110067
INDIA

**1987**

AHARLAL NEHRU UNIVERSITY

IR HUSSAIN CENTRE FOR EDUCATIONAL STUDIES
SCHOOL OF SOCIAL SCIENCES.

Telegram : JAYENU
Telephones : 652282
661444
661351
New Delhi-110 067

# D E C L A R A T I O N

Certified that the dissertation entitled "State Grants-in-Aid for Higher Education - A Comparative Study of Gujarat and Uttar Pradesh," submitted by Shamsul Haque is in fulfilment of eight credits out of the twenty four credits for the degree of Master of Philosophy of this University. This dissertation has not been previously submitted for any other degree of this University and is his own work.

We recommend that this dissertation be placed before the examiners for evaluation.

Suresh C. Ghosh
CHAIRMAN

Narsimhan
SUPERVISOR

ACKNOWLEDGEMENT

I am grateful to my teacher and superviser Dr.Narindar Singh without whose guidance and supervision this work would not have been written in time. My sincere thanks are also due to Professor Tapas Majumdar who encouraged me to venturing upon this exercise.To Dr.J.L.Azad go special credit and thanks for having been a great source of encouragement and enlightenment while I was working on this topic.I have had useful discussions with him on various occasions for improving the quality of this dissertation.

I express my gratitude to the Librarian, Miss. Nirmal Maihotra and other staff members of the National Institute of Educational Planning and Administration Library,New Delhi,for all the help they gave me.I should also not forget to thanksthe librarians of the Jawaharlal Nehru University Library,New Delhi,the Association of Indian Universities Library,New Delhi,and the Central Secretariat Library,New Delhi.

Finally,I am thankful to my friends who have always cooperated and sincerely helped me in various ways during this study.Specially,I owe personal gratitude to Mohd.Shahid,a close friend of mine,who assisted me in many ways at the stage of typing the dissertation.

I,however,consider myself alone to be responsible for all the opinions expressed and for any errors and ommissions which might be found in this study.

Shamsul Haque

Date: 21-7-87 SHAMSUL HAQUE

Place:New Delhi.

DEDICATED TO MY PARENTS FOR THEIR UNENDING LOVE AND AFFECTION

# C O N T E N T S

LIST OF TABLES

# C H A P T E R - I

# I N T R O D U C T I O N

A grant-in-aid, according to Charter V. Good's 'Dictionary of Education', may be defined as a financial grant, frequently in the form of periodical payments, made by a government or agency to another government or agency or to an individual by way of assistance for a special purpose.[1] In the educational field the purpose of grants-in-aid is to help in the spread of education. Local efforts and private agencies may not be able to meet the cost of education for all people; hence government shares the burden of this welfare activity for the people. Education has special significance for democracy which can survive and thrive only if it can create enlightened citizens. The purpose of grants-in-aid may be enumerated as equalization of educational opportunities, encouragement of private enterprise, sharing the burden of private enterprise in providing good education, stimulating various areas of study, etc.[2]

In India, due to the pluralistic socio-religious factors, a variety of educational systems suited to their peculiar needs and varying systems of government assistanc

---

1. Quoted in Misra, Atmanand : Grant-in-Aid of Education in India, Macmillan India, 1973, p.2
2. Ibid. pp.3-4

to education were prevalent, whether in kind or money, in the period as early as Brahmanical system followed by the Buddhist period, the medieval period and the British period. It is only the British period in India during which modern system of education was established and government assistance through the system of grants-in-aid was mostly developed. The government support for education during the British period starting t from the establishment of the East India Company in 1600 A.D. to the dawn of independence in 1947 has passed through different phases.

The educational efforts of the East India Company during the period 1600-1812 were of a very limited nature. According to Dr. J.L. Azad, it was during the last quater of the 19th century that the need for evolving a policy framework relating to the financing of Indian education was first recognised by the British government. The Education Commission (1882) laid down positive guidelines relating to such subjects as grant-in-aid policy, fee policy, the method of securing co-operation from non-government organizations for setting up educational institutions and the expansion of aided institutions.[3] Almost the whole of the first half of the present century was marked by increasing central government subventions

---

3. Azad, J.L. : Government Support for Higher Education and Research, NIEPA and Concept, New Delhi, 1984, p.3

for higher education. The period also saw the extension of the government assistance to the universities. However, due to some government and political pressures, this period had faced a very stiff control and tight financing of in educational institutions.

Now coming to the post-Independence era, the Constitution of India has placed education in the Concurrent List of the Seventh Schedule of the Federal Government whereby expansion and development of educational facilities in the country are the joint responsibility of the Central and State governments. Of all the aspects of educational administration, financial matters claim the utmost importance as far as development and expansion of educational facilities are concerned. Therefore, at the Central and State levels a very essential pre-requisite for modernisation of financial administration and streamlining of the policies and patterns of government assistance to the institutions of higher education.

In India after Independence, due to various socio-economic and political factors, there has been a continuous mushrooming and proliferation of colleges and universities. If we have a glance at the annual budgeted expenditure of the Central and State governments, it is found that there is a clear cut bias in favour of higher

education claiming a larger chunk of financial assistance. In several instances, it is revealed that the objective of universalisation of elementary education has been side-tracked because of higher education receiving a preferential treatment as the cost of elementary education.

It is, however, difficult to underestimate the importance of higher education because of its being an important causative factor for economic, scientific and technological development.

This study is concerned mainly with the state governments' assistance to higher education in Gujrat and Uttar Pradesh. In this respect while the University Grants Commission has been established as an autonomous body to provide the necessary financial resources to the universities Without government control or interference, State universities have to depend, for their maintenance and matching share primarily on funds provided directly by the State governments.

There are three types of university institutions

(a) University set up by the Central or State legislation;

(b) Institutions 'deemed' to be universities under section 3 of the U.G.C. Act, 1956; and

(c) Institutions declared by the Parliament by law to be institutions of national importance.

The State governments are responsible for the maintenance of the state universities. In this respect mention may be made of the amended U.G.C. Act, 1972, which empowers the U.G.C. to give maintenance grants to State universities.[4] The development of the State Universities, however, is the joint responsibility of the Central and the State governments. In the case of Central universities, 'deemed' to be universities and the institutions of national importance, the maintenance as well as the development expenditure is the sole responsibility of the Central government.

The State government grants to State universities and colleges may be classified into following categories:

(i) Maintenance grants, which are basically for the day to day functioning of the institutions ;

(ii) development grants, which are given mainly on a matching basis to enable the institutions to lift the assistance given by the federal agencies like the U.G.C., I.C.A.R., etc.; and

(iii) non-recurring grants for buildings and equipments, etc.

Maintenance grants are determined by the State governments for a specified period ranging from 3 to 5 years. They are subject to an increase on account of rise in costs, and are determined on the basis of the following criteria :

(a) the net dificit of the university on approved items

---

4. Azad, J.L. : Financing of Higher Education in India, Sterling, New Delhi, 1975, ch.8

for the previous year plus some increase on account of the rise in costs, and

(b) the budgetary constraints of the State governments. Some State governments have statutorily fixed the block grants.

Development grants are given by the State governments in order to enable the universities to lift the assistance from the Central organisations like the UGC, ICAR, etc.

Non-recurring grants are paid occasionally and often not repeated. They include grants made for the purpose of the construction, extension and alteration of institutions' buildings, the purchase of land, equipment and furniture.

There are generally two main types of grants-in-aid provided by the state governments to the universities ;[5] the deficit grant and the block grant which may be statutory, ad hoc or based on the past expenditure.

Under the system of deficit grant, the annual maintenance grant is given on the basis of the estimated approved expenditure minus the estimated approved income, subject to adjustment in subsequent years on the basis of actual income and actual expenditure as revealed by the audited accounts.

The system of block grant, on the whole, works better. There are two main ingredients of a block grant :

(a) the basis on which its amount is fixed ; and

(b) the frequency of revision.

---

5. The Report of the Education Commission (1964-66), Ministry of Education, Government of India, New Delhi, p. 332.

The reason for the selection of Gujrat and U.P. for this study is that both of them have made great strides in the field of higher education after independence. Gujrat has claimed the status of being educationally advanced state while U.P. remains educationally backward in the country. While the former has less number of higher educational institutions, enrolment and number of teachers, allocates less amount of resources to the educational institutions and the history of higher education too is relatively short in this state in comparision to U.P.; the state of Gujrat is so advance in educational acquirements that there were 43.75 percent persons literates in 1981 as against 27.40 percent literacy rate in U.P. in that year. The U.P. government incurs more expenditure on higher education that Gujrat, even though per student expenditure is more in Gujrat than in U.P.

These are some of the factors which are responsible for a large difference in educational attainments between Gujrat and U.P. The System of grants-in-aid must have a bearing upon the educational development in these states. In this context, the study proposes to have a deep insight into the patterns, procedures and conditions of grants-in-aid for a comparative study of the two states.

I shall take up university institutions, colleges of general education and colleges of technical education for my study of the systems, patterns and procedures of grants-in-aid practised in the two states. The period under study will be from 1968-69 to 1984-85 , broadly covering

Fourth, Fifth and Sixth Five Year Plans of India. This period is also preceded by two very important events, namely the publication of the Report of Education Commission (1964-66) and the Education Policy (1968) which marked a significant step in the history of education in post-Independence India.

Patterns of State Grants in Gujrat and Uttar Pradesh

To colleges of general education both Gujrat and U.P. provide maintenance grants between 70 % and 90% of net deficit expenditure in the form of pay packet grants. For buildings/hostels U.P. provides upto 50 percent as matching share of U.G.C. grant. The maximum limit for development grants in Gujrat is 50 percent whereas between 50 percent and 100 percent grants are extended for development purposes in U.P.The state of Gujrat also provides performance grants. Top three colleges will be given performance grants to the tune of Rs. 1,00,000 , Rs. 75,000 and Rs. 50,000 respectively according to their ranks.

The colleges of technical education are extended 90 percent of net deficit expenditure as maintenance grants in Gujrat. In U.P. there is a system of direct payment of salary to the staff of these colleges by giving maintenance grants between 75 percent and 100 percent of the net deficit.[6]

---

6. Azad, J.L. (1984) op.cit. pp. 73-76

Budgeted Expenditure :

To have a glance at the development and expansion of higher educational facilities in the two states during the period under study, let us look at their budgeted expenditures on this particular sector of education which are given in the tables below. In absolute terms, total plan and non-plan budgetary expenditures have continuously inreased during the period in question for univerty and other higher education as well as for technical education in both the states.

Table 1.1

TOTAL PLAN AND NON-PLAN BUDGETED EXPENDITURE ON UNIVERSITY AND OTHER HIGHER EDUCATION(REVENUE ACCOUNTS) DURING 1969-70 and 1984-85.

(Rupees in Thousands)

| States | 1969-70 (Actuals ) | 1975-76 (Actuals) | 1982-83 (Actuals) | 1984-85 (B.E.) |
|---|---|---|---|---|
| Gujrat | 24796 (6.8) | 66650 (7.5) | 245514 (9.8) | 317706 (10.8) |
| U.P. | 54561 (7.5) | 164168 (8.1) | 492780 (10.1) | 629594 (12.9) |

Figures in the parentheses show the percentage to total expenditure of Educationa Department.

Source : Various issues of Analysis of Budgeted Expenditure on Education in Central and State Annual Budgets. Ministry of Education, Government of India.

If we compare the share of expenditure on university and other higher education with total expenditure

of Education Department it is evident from Table 1.1 that it has increased from 7.5 percent in 1969-70 to 12.9 percent in 1984-85 in U.P. and from 6.8 percent in 1969-70 to 10.8 percent in 1984-85 in the state of Gujrat. However, the absolute value of expenditure on university and other higher education has increased from Rs. 24796 thousands in 1969-70 to Rs. 317706 thousands in 1984-85 recording roughly a thirteen fold increase in Gujrat while it has increased from Rs. 54561 thousands to Rs. 629594 thousands during the same period in U,P. showing approximately twelve fold increase.

Table 1.2

TOTAL PLAN AND NON-PLAN BUDGETED EXPENDITURE ON TECHNICAL EDUCATION(REVENUE ACCOUNTS) DURING 1969-70 AND 1984-85

(Rupees in thousands)

| States | 1969-70 (actuals) | 1975-76 (actuals) | 1982-83 (actuals) | 1984-85 (B.E.) |
|---|---|---|---|---|
| Gujrat | 14677 (4.0) | 28165 (3.2) | 76465 (3.0) | 108305 (3.7) |
| U.P. | 34869 (4.8) | 51247 (2.5) | 139149 (2.8) | 165534 (3.0) |

Figures in the parentheses show the percentage to total expenditure of Education Department.

Source : Various Issues of Analysis of Budgeted Expenditure on Education in Central and State Annual Budgets, Ministry of Education, Government of India.

In case of technical education the percentage of total plan and non-plan expenditure to total expenditure of Education Department, which is presented in Table 1.2,

shows that , for Gujrat, it decreased from 4.0 percent in 1969-70 to 3.2 percent in 1975-76, to 3.0 percent in 1982-83 which rose slightly to 3.7 percent in 1984-85. U.P. also registered a declining trend from 4.8% in 1969-70 to 2.5 percent in 1975-76 and rose marginally to 2.8 percent in 1982-83 to rise again to 3.0 percent in 1984-85 budget estimates. However, the absolute figures of expenditure on technical education increased by roughly eight times from Rs. 14677 thousands in 1969-70 to Rs. 108305 thousands in 1984-85 in the state of Gujrat. The corresponding figures for U.P. showed approximately five fold increase from Rs. 34869 thousands to Rs. 165534 thousands respectively during the same period.

From the analysis of above tables it is clear that increase in expenditure on university and other higher education and technical education, separately, was more pronounced in Gujrat than the corresponding increase in U.P

Now, if we have a glance at the numbers of institutions of higher educations in the two states, we find that in Gujrat there were 279 university colleges and affiliated colleges in 1976-77 which increased to 288 in 1984-85. Whereas in U.P. the number of these colleges increased 523 in 1976-77 to 561 in 1984-85. Percentage increase in their number was 3.2 and 7.3 respectively for Gujrat and U.P. during these years. Growth of students' enrolment in higher education, excluding P.U.C., was recorded to be 168803 in 1976-77 and 204151 in 1984-85 in

the state of Gujrat, whereas in U.P. this figure rose from 362970 in 1976-77 to 478597 in 1984-85.[7] The percentage increase in students' enrolment comes approximately to 21 for Gujrat and 32 for U.P. during these two years showing a substantially higher rate of increase in U.P. One of the most important functions of the grant-in-aid system is to check the uncontrolled proliferation of colleges and universities as well as expansion in students' enrolment.

If we look at all the three components, namely, growth of expenditure, institutions and students' enrolment in higher education in both the states, the calculation would show that per student expenditure is higher in Gujrat than in U.P. This is an important determinant for educational standard.

HYPOTHESES :

It is proposed to test the following hypotheses during the course of this study :

(a) The grant-in-aid system, to a very great extent, lacks the policy perspective.

(b) the grant-in-aid rules are somewhat ambiguous.

(c) The quantum of state grants is inadequate for the development of the institutions.

(d) The system is not innovative and promotional.

RESEARCH QUESTIONS :

The following questions will be examined during

7. University Grants Commission, Reports for the year 1980-81 and 1984-85, with specific reference to relevant tables.

the study in order to have a comparative analysis of the system of grant-in-aid of higher education between the two states :

1. How far do the grants have a policy orientation about educational development in the two states ?

2. How far are the grant-in-aid rules unambiguous or liable to multiple interpretation in the two states ?

3. How efficiently and economically are the grants utilised by the institutions ?

4. How far are the grants adequate to meet the rising needs of educational institutions ?

5. How far do these states encourage innovations by educational institutions throu grant-in-aid policy of assistance ?

This su study is divided into six chapters. The First chapter gives a brief introduction of the study which is covered by the present one. Second chapter deals with financing of higher education in India in a very comprehensive manner by touching upon various important aspects which gives sufficient preliminary background for our study. Chapter three is devoted to study the grants-in-aid system which covers general definitional aspects of the study. It also deals with the conditions, patterns and procedures of giving grants to higher educational institutions in the two states, Gujrat and U.P. States grants for higher education in Gujrat are dwelt upon in chapter four, the various aspects of which are

analyzed with the help of sufficient data and figures. Chapter five follows the same pattern of analysis as in chapter four for studying the state grants for higher education in U.P. Lastly, chapter six covers the concluding remarks and policy implications of this study.

# C H A P T E R – II

## THE FINANCE OF HIGHER EDUCATION

According to the National Policy on Education 1986, "the university system should be enabled to move centre-stage. It should have the freedom and responsibility to innovate in teaching and research. The emphasis on autonomy of colleges and departments, provision of means to interact across boundaries of institutions and funding agencies, better infrastructure, more rationalised funding of research, integration of teaching, search and evaluation, all these reflect this major concern".[1] It encompasses broadly various elements which are important for a steady and consistent growth and development of higher educational facilities in India. But the novelty of situation is that along with planned economic development of the country after independence in which education had its own share, the performance in this sector has remained far from satisfactory. Starting right from the publication of Report of University Education Commission (1948-49), Report of the Secondary Education Commission (1952-53), the most comprehensive Report of the Education Commission (1964-66), Education Policy (1968), National Policy on Education (1986), and various other committees, surveys and

---

1. National Policy on Education 1986: Programme of Action, Ministry of Human Resource Development, Government of India, p.39.

reviews conducted by the Ministry of Education, the University Grants Commission, national and state level organisations and institutions, we have a lot of optimistic objectives and targets for the achievement of desired educational development and facilities in the country. But there is hardly any solid and foolproof evidences to demonstrate that we have achieved our targeted objectives.

There are many factors responsible for inadequate and unsatisfactory implementation of the policies of expansion and development of educational facilities on account of a number of socio-economic and political problems facing the country. They will be highlighted and discussed in detail in the subsequent chapters of this study.

In this chapter we are basically concerned with the financing of higher education in India in a broader perspective. Though each and every aspect of education in the country is dominated by the colonial legacies of the British rule, yet we have developed certain unique features in the course of development and expansion of educational facilities after the transfer of power from foreign domination and partition of the country in 1947. In its essence we have to clearly understand and sense the diametrically opposite aspects of higher education,

its objectives and importance between a free India and slave India. That is between importance and objectives based on colonial exploitation on the one hand, and on the other, importance and objectives of higher education based on planned economic development and welfare of the nation guaranteed by the philosophy of socialistic pattern of society. Unless we focus our attention on these aspects with some evidence we may not be able to have a clear perspective of various elements, especially financial ones, ofthe development and expansion of higher education in the post independence era.

DEFINITION, OBJECTIVES AND IMPORTANCE :

Immediately after independence, the Government of India, anticipating the role and importance of higher education in a free, young and developing nation, appointed the University Education Commission (1948-49) under the chairmanship of Dr. S. Radhakrishnan to report on Indian University Education and suggest improvements and extensions that may be desirable to suit present and future requirements and needs of the country. The report of the Commission rightly remarks, 'the academic problems have assumed new shapes. We have now a wider conception of the duties and responsibilities of universities. They have to provide leadership

in politics and administration, the professions, industry and commerce. They have to meet the increasing demand for every type of higher education, literary and scientific, technical and professional. They must enable the country to attain, in as short a time as possible, freedom from want, disease and ignorance, by the application and development of scientific and technical knowledge".[2]

After having solemnly resolved to constitute India into a Sovereign Democratic Republic and experiencing in right earnest the objectives and importance of higher education, the report aptly observes that democracy depends for its very life on a high standard of general, vocational and professional education. Dissemination of learning, incessant search for new knowledge, provision of professional education to satisfy the occupational needs of our society are the vital tasks of higher education. "We cannot preserve real freedom unless we preserve the values of democracy, justice and liberty, equality and fraternity. It is the ideal towards which we should work though we may not be modest in planning our hopes as to the results which in the near future are likely to be hieved .... Universities must stand for these causes which

---

2. Report of the University Education Commission (1948-49), Vol.I,Ministry of Education, Government of India, 1962, p.33.

can never be lost so long as men seek wisdom and follow righteousness".[3]

These ideas about the aims, objectives, importance and responsibilities of higher education were the bases for theoretical formulation of policies for the expansion and development of colleges and universities in India after independence. There are hardly any valid grounds so as to question the suitability of these basic ideals as far as the socio-political, economic and educational situations prevailing at that time are concerned. India adopted the philosophy of 'socialistic pattern of society' along with the advent of Five Year Plans for the planned economic development against the background of devastated economy owing to the Second World War and partition of the country. As the future of newly independent nation was to be shaped in the class-rooms of educational institutions, higher education along with other sectors of education claimed the inclusion in the list of highest priorities being assigned for planning and rapid economic development.

After a lapse of three Five Year Plan periods the Education Commission (1964-66), appointed to advise government on the national pattern of education and on the general principles and policies for the

---

3. Ibid., pp.66-67.

development of education at all stages and in all aspects, dealt comprehensively and extensively with problems of higher education which include, among others, the establishment of major universities, programmes of qualitative improvements, andgovernance of universities. Apart from general and broad functions which are common with all universities, the Commission assigned Indian Universities to shoulder some special responsibilities in the prevailing context of our social and educational development. For instance [4] -

1. they must learn to serve as the conscience of the nation; and from this point of view they must encourage individuality, variety and dissent, within a climate of tolerance;
2. they should develop programmes of adult education in a big way and to that end, evolve a widespread network of part-time and correspondence courses;
3. they should assist the schools in their attempts at qualitative self-improvement;
4. they should shake off the heavy load of their early tradition which gives a prominent place to examinations and strive to improve

---

4. Report of the Education Commission (1964-66), Ministry of Education, Government of India, 1966, pp. 275-77.

standards all round by a systematic development of teachings and research; and

5. they should create atleast a few centres which will be comparable to those of their type in any other part of the world and thus help to bring the 'centre of gravity' of Indian academic life within the country itself.

The goals of higher education for India in the present period have been spelt out on several occasions by politicians, educationists and educational planners. Fon instance Sukhomay Chakravarty spelt them out as three fold -(i) the investment of providing highly skilled manpower; (ii) the redistributive objective of realising a greater degree of effective quality of opportunity; and (iii) the advancement of the frontiers of knowledge.[5]



If we look at the definitional aspects, aims and objectives of higher education as propounded by the National Policy on Education - 1986, we can have a clear perspective and understanding of the prevailing situations at present. The document says that it provides people with an opportunity to reflect on the critical social, economic, cultural,

---

5. Quoted by Kamat, A.R. in(ed.), Singh, Amrik and Sharma, G.D., University and College Finances, AIU, New Delgi., 1981., p.20.

moral and spiritual issues facing humanity. It contributes to national development through dissemination of specialised knowledge and skills. It is, therefore, a crucial factor for survival. Being at the apex of educational pyramid it has also a key role in producing teachers for the education system. In the context of unprecedented explosion of knowledge, higher education has to become dynamic as never before, constantly entering uncharted areas.[6]

By looking at the foregoing discussion, no one can deny the importance of higher education against the present socio-economic and political background. It is the only dominant sector of education which comes to the forefront when one is to make international comparison of educational advancement in the world. It represents pride, prestige and elevation of the nation. It is more vocal than other sectors of education. It produces leaders, politicians, administrators, scientists, social reformers, freedom fighters, educationists, lawyers, etc., who are at the helm of societal affairs. In its essence, the role and importance of higher education is very crucial and strategic for India too.

---

6. National Policy on Education, 1986, p. 14.

EXPANSION : INSTITUTIONS AND ENROLMENT

As far as the size, type and quality of institutions of higher education in India are concerned, we have at one extreme the comparatively 'affluent' institutions like the Indian Institute of Technology, central universities and the specialised institutes in social and physical sciences; simultaneously on the other end are the colleges, the academic proletariats, mainly catering to education in humanities and social sciences, which are leading financially a precarious existence. Around half of these institutions have become non-viable because they are unable to match the minimum criteria of enrolment and staff as laid down by the University Grants Commission.[7] Various researches and studies have reported this unfortunate phenomenon in the field of higher education in India. The New Education Policy of 1986 also has sensed the gravity of the problem by mentioning that"many of the 150 universities and 5000 colleges have not been provided with a minimum level of infrastructure for the maintenance of quality and standards. Provision of these facilities is essential to protect the system from deterioration".[8]

---

7. Azad, J.L., Government Support for Higher Education and Research, NIEPA and Concept Publishing Company, New Delhi, 1984,p. 1.

8. National Policy on Education, 1986, pp. 39-40.

Coming now to the quantitative expansion of higher education system in India, we observe clearly that there has been a phenomenal increase. Either we take the number of institutions, enrolment of students or the number of teachers, substantial increase is reported in all spheres if we look at the data for the period after independence. Thus, the number of universities and deemed universities in 1950-51 was only about 28, in 1970-71 it became 93 and in 1984-85 it was 135. The number of colleges of arts, science and commerce and professional education was 695 in 1950-51, in 1970-71 it rose to 3604 which again switched up to about 5000 in 1984-85, as also claimed by the new education policy document 1986. In 1983-84 there were 48694 teachers in university departments and 131483 teachers of all categories in colleges. The stagewise number of institutions are shown in Table 2.1.

Table 2.1
NUMBER OF INSTITUTIONS BY STAGES

| Item | 1950-51 Actual | 1960-61 Actual | 1970-71 Actual | 1980-81 Actual | 1984-85 Likely |
|---|---|---|---|---|---|
| 1. Primary | 209671 | 330399 | 408378 | 485538 | 550000* |
| 2. Middle | 13596 | 49663 | 90621 | 116447 | 140000* |
| 3. High/Higher Secondary | 7288 | 17257 | 36738 | 51594 | 60000* |
| 4. College | | | | | |
| (a) Arts, Science & Commerce | 548 | 1161 | 2587 | 3393 | 3500* |
| (b) Professional | 147 | 381 | 1017 | 1382 | 1500* |
| (c) Universities/ Deemed Univ. | 28 | 44 | 93 | 123 | 135 |

* Estimates
Source : Seventh Five Year Plan 1985-90, Vol.,II,p. 265.

The growth in the students enrolment has been quite fast. It has grown so fast as to cause cencern and the University Grants Commission had to adopt certain restrictive measures. The enrolment in

Table 2.2

ENROLMENT BY STAGES (IN '000 )

| Item | 1950-51 Actual | 1960-61 Actual | 1970-71 Actual | 1980-81 Actual | 1984-85 Likely |
|---|---|---|---|---|---|
| 1. Primary (I-V Classes) | 19155 (42.6) | 34994 (62.4) | 57045 (76.4) | 72688 (83.1) | 85377 (91.84) |
| 2. Middle (VI-VIII Classes) | 3120 (12.7) | 6705 (22.5) | 13315 (34.2) | 19846 (40.0) | 26729 (53.07) |
| 3. High/Higher Secondary/ Intermediate | 1481 | 3483 | 7167 | 11281 | 16800* |
| 4. Universities & above (Ist Deg) | 174 | 557 | 1956 | 2752 | 3442* |

* Estimates .

Note : Figures in parenthesis indicate Gross Enrolment Ratio, as percentage of the total population in each category.

Source : Seventh Five Year Plan 1985-90, Vol.II, p. 265.

the universities and above (first degree) was 174 thousands in 1950-51, in 1970-71 it rose to 1956 thousands and finally in 1984-85, it went upto about 3442 thousands. The overall picture of enrolment in India by stages is depicted in Table 2.2 above. The stage-wise enrolment in higher education is produced in Table 2.3 for the years from 1960-61 to 1981-82.

A study of the growth rate of university enrolment shows an ever interesting trend. During

1960-61, the period corresponding to the Second Five Year Plan, the annual growth rate was 13.5 per cent. The maximum increase was recorded during

Table 2.3

ENROLMENT IN HIGHER EDUCATION
1960-61 TO 1981-82

| Year | Under - Graduate | Post Graduate | Research |
|---|---|---|---|
| 1960-61 | 444848 | 58908 | 5165 |
| 1961-62 | 571485 | 67610 | 5249 |
| 1962-63 | 651805 | 71297 | 5297 |
| 1963-64 | 739607 | 76685 | 5895 |
| 1964-65 | 835804 | 84201 | 7104 |
| 1965-66 | 944015 | 91830 | 8633 |
| 1966-67 | 1053750 | 101798 | 9668 |
| 1967-68 | 1211083 | 117250 | 11479 |
| 1968-69 | 1388335 | 135469 | 12145 |
| 1969-70 | 1603898 | 146804 | 12474 |
| 1970-71 | 1706090 | 161182 | 13311 |
| 1971-72 | 1835077 | 180343 | 14995 |
| 1972-73 | 1920364 | 195307 | 16443 |
| 1973-74 | 1964432 | 214691 | 16417 |
| 1974-75 | 2075039 | 234114 | 17977 |
| 1975-76 | 2146919 | 219826 | 18381 |
| 1976-77 | 2141542 | 218128 | 21910 |
| 1977-78 | 2255306 | 233644 | 26659 |
| 1978-79 | 2294785 | 249528 | 30078 |
| 1979-80 | 2307924 | 265251 | 29570 |
| 1980-81 | 2401485 | 273337 | 32171 |
| 1981-82 | 2588759 | 285892 | 34588 |

Source : Raza, Aggarwal and Hasan in (ed.) Veera Raghavan, J. Higher Education in the Eithies, India International Centre, 1985, p. 118.

the first half of the sixties, the period corresponding to the third Five Year Plan. It may be recalled that it was in this plan document that education was recognised as an instrument of economic development. This trend continued even upto 1970-71. An annual compound growth rate of 13.4 per cent was observed during the sixties.

The enrolment showed signs of marginal increase during the seventies. The period 1970-71 to 1975-76 showed a growth rate of 4.4 per cent. This is quite small as compared to 13.4 per cent of the previous decade. It has come down further to 3.9 per cent in the period 1975-76 to 1981-82. The period from 1970-71 onwards has thus been characterised as the period of stabilisation. The whole position is presented in Table 2.4 below.

Table 2.4

GROWTH RATES OF UNIVERSITY ENROLMENT

| Years | | | Annual Growth Rates |
|---|---|---|---|
| 1955-56 | to | 1960-61 | 13.4% |
| 1960-61 | to | 1965-66 | 14.0% |
| 1965-66 | to | 1970-71 | 12.8% |
| 1956-57 | to | 1981-82 | 9.2% |
| 1960-61 | to | 1970-71 | 13.4% |
| 1970-71 | to | 1981-82 | 3.8% |
| 1970-71 | to | 1975-76 | 4.4% |
| 1975-76 | to | 1981-82 | 3.9% |

Source : UGC Reports as quoted by Raza, Aggarwal, Hasan, in (ed.) Veera Raghavan, J., "Higher Education in the Eithies", India International Centre, New Delhi, 1985.

It follows from the above that there has been a massive expansion in enrolment in higher education during the sixties. It was also due to the change over to 10+2 pattern in which intermediate stage was given to school. However, during the seventies, the emphasis shifted from rapid expansion to consolidation and quality improvement in higher education. The strategy of educational development in the Fourth Five Year Plan was to strengthen post-graduate and research activities. The plan envisaged the setting up of a number of 'centres of Advanced Studies' in different subjects. The Indian Council of Social Science Research was established during the Fourth Five Year Plan to promote inter-disciplinary research in social sciences. Specialised institutes of research, extension and training were set up in many places. These came into existence in some cases more to satisfy regional demands than to strengthen research infrastructure. However, quantity was being transformed, gradually and haltingly, into quality. The process of transformation was still too slow and too weak to bring about a decisive change in the character of educational development in the country. [9]

---

9. Raza, Aggarwal and Hasan in(ed.) Veera Raghavan, J., "Higher Education in the Eighties", India International Centre, New Delhi, 1985, p. 111.

FINANCING :

Our planners in the past developed an 'expenditure-oriented' system of educational planning in which greater emphasis is laid on the expenditure of money than on human effort. Consequently, the success they obtained with programmes of qualitative improvement was inevitably less conspicuous than with programmes of expansion. We have been able to achieve, by and large, what could have been achieved by the expenditure of money. But where such expenditure of public funds had to be supplemented by expenditure of thought or by human effort, we have not been able to rise to the occasion and the results have been rather indifferent.[10] This view is widely held by many educationists and experts on financing of education.

This is one aspect of educational finance. The enormous increase in higher education sector as revealed by the previous analysis, simultaneously with other sectors,has resulted in growth of expenditure on all sectors of education in the country. The total expenditure on education on all sectors increased from Rs. 114 crores in 1950-51 to Rs. 344 crores in 1960-61, to Rs. 1118 crores in 1970-71, to

---

10. Naik, J.P., "Education in the Fourth Plan", Nachiketa Publications, Bombay, 1968,pp. 16-17.

Rs. 3746 crores in 1980-81 and finally to Rs. 6000 crores in 1984-85. The total of plan and non-plan expenditure on all sectors of education is shown in Table 2.5.

Table 2.5
EXPENDITURE ON EDUCATION IN INDIA

(Rs. in crores)

| Item | 1950-51 Actual | 1960-61 Actual | 1970-71 Actual | 1980-81 Actual | 1984-85 Likely |
|---|---|---|---|---|---|
| Total | 114 | 344 | 1118 | 3746 | 6000 |
| Plan | 20 | 90 | 115 | 520 | 800 |
| Non-plan | 94 | 254 | 1003 | 3226 | 5200 |

Source : Seventh Five Year Plan Draft, 1985-90, Vol. II, p. 265.

But if we look at the total outlay on education as a percentage of the total plan outlay, in various Five Year Plans, it is revealed that, in the First Plan, it was 7.2 per cent which decreased to 2.6 per cent in the Sixth Plan. Exdept in the Third Plan which accounted for 7.5 percent outlay on education, there has been a drastic and continuous fall in the share of outlay on education in total plan outlay. In absolute terms, it has risen continuously over the whole plan period in India. The whole position is cleanly shown in Table 2.6.

At constant prices the growth of expenditure on education has been less. There are also inter-

state variations in the growth of educational expenditure and within the state inter-district variation. Contributions to total educational

Table 2.6
OUTLAY FOR EDUCATION DURING PLANS

| | Outlay for Education (Rs. in crores) | Percentage of Outlay for Education to Total Plan Outl |
|---|---|---|
| First Plan | 170 | 7.2 |
| Second Plan | 277 | 5.8 |
| Third Plan | 560 | 7.5 |
| Fourth Plan | 822 | 5.2 |
| Fifth Plan | 1285 | 3.3 |
| Sixth Plan | 2524 | 2.6 |

Source : Report of the Steering Group on Education, Culture and Sports for Seventh Five Year Plan(1985-90), Planning Commission of India, Government of India, December 1984, p. 6.

expenditure are made by state and central governments, local bodies, fees, endowments and others. For the country as a whole, the contributions from all sources except government have fallen from 1950-51 till date and consequently government contributions had to increase. Despite the increase in enrolment, the proportionate contribution from fees has gone down.

If we look at the overall provisions of funds for total education as a percentage of Gross National Product since the inception of planning period in 1950-51, it will be evident how much importance has been assigned to education in the distribution of GNP on various heads of expenditure. In this connection the position is made clear by Table 2.7.

Total 2.7.
TOTAL EXPENDITURE ON EDUCATION AS A PERCENTAGE OF GNP IN INDIA

(Rs. in crores)

| Year | Total expenditure on Education | GNP at Current Prices | Expenditure on Education as % of GNP |
|---|---|---|---|
| 1950-51 | 114 | 9136 | 1.26 |
| 1960-61 | 344 | 13999 | 2.45 |
| 1970-71 | 1118 | 36452 | 3.06 |
| 1980-81 | 3746 | 113907 | 3.28 |
| 1984-85 | 6000 | 188459 | 3.18 |

Source : 1. Planning Commission, Seventh Five Year Plan, Vol.II, p. 265.
2. Economic Survey, 1985-86, Government of India.

There is no doubt that educational expenditure as a proportion of GNP has risen from 1.26 per cent during 1950-51 to 3.8 per cent during 1984-85. But India is still far behind, if we make some international comparisons of educational expenditure, not only of the developed countries but also some of the underdeveloped countries. It will be very

much pertinent to mention that India is also far behind those targets as laid down by the Education Commission (1964-66) to raise educational expenditure to 6.0 per cent of GDP in 1985-86.

The expenditure on higher education for universities and colleges also has been rising continuously between 1950-51 and 1975-76. Between 1968-69 and 1976-77, government expenditure on higher education grew from Rs. 79.21 crores to Rs. 290.04 crores, and at present, state governments are spending 13.3 per cent of their revenue bugdets on higher education. In the successive Five Year Plans of India, the allocation to higher education has been increasing. In the First Plan, it was Rs. 140 crores or 9 percent of total outlay for education which in Sixth Plan picked up to 19 per cent, As in other sectors of education, in higher education also, the growth of non-plan expenditure has been quite high.[11]

When we consider the situation between 1950-51 and 1975-76, the average annual growth rate of expenditure and enrolment, it is noticed that the rate of growth in enrolment has been higher than the annual expenditure growth rate. The following Table 2.8 shows the position for both education and higher education in regard to annual growth rate of expenditure and enrolment.

Table 2.8
ANNUAL GROWTH RATE OF EXPENDITURE AND ENROLMENT

| Year | Total Education | | Higher Education | |
|---|---|---|---|---|
| | Expenditure | Enrolment | Expenditure | Enrolment |
| 1951-56 | 5.0 | 6.56 | 1.0 | 19.35 |
| 1956-61 | 5.6 | 8.27 | 6.1 | 10.78 |
| 1961-66 | 4.6 | 11.45 | 3.2 | 10.24 |
| 1966-71 | 6.5 | 3.34 | 7.4 | 9.89 |
| 1971-76 | 12.6 | 3.13 | 2.8 | 11.44 |

Source : As quoted by Padmanabhan, C.B.

It will be seen that particularly in higher education growth of expenditure is very much outstripped by growth of enrolment and hence it is not surprising that following should be the position in regard to per student expenditure as shown in Table 2.9. We note a fall in per student expenditure in higher education at constant prices.

While considering the expenditure on higher education , we have to take separate note of universities and colleges. In 1983-84, there were 5246 colleges with 86.46 per cent students at under-graduate level, 58.8 per cent at post-graduate level and 14.1 per cent at research level. 77.9 per cent of the total number of teachers were in affiliated colleges. Therefore any impact of financing on higher education either in terms of their impact on equity or standard will very

much depend upon the who the targets are, colleges or universities.[12]

Table 2.9
TOTAL DIRECT EXPENDITURE ON HIGHER EDUCATION PER STUDENT

(In Rupees)

| Year | Current Price | Constant Price (1960-61) |
|---|---|---|
| 1950-51 | 407.98 | 433.34 |
| 1955-56 | 426.79 | 568.75 |
| 1960-61 | 551.34 | 557 .34 |
| 1965-66 | 646.68 | 489.99 |
| 1970-71 | 886.00 | 502.44 |
| 1975-76 | 1012.67 | 350.92 |

Source : As quoted by Padmanabhan, C.B.

Notwithstanding the foregoing discussion regarding the total education expenditure in absolute terms, outlay on education as a percentage of total outlay in the plans and as a percentage of GNP, there is enormous concern for the unhealthy behavioural pattern of higher education finances in India as revealed from the following points :

(i) a continuous rise in the expenditure on higher education, also in no way approaching a position of adequacy of resources;

(ii) inconsistent and erratic behaviour of agencies responsible for financing higher education; and

12. Ibid., p. 11.

(iii) desparate character of inter-institutional allocations and resources. [13]

RISING EXPENDITURE :

There is a general opinion that expenditure on education in general and higher education in particular has been continuously rising since the inceptions of Five Year Plans in India when the quantum is measured in terms of absolute value at least. As already shown that if we analyse the total expenditure on education as a percentage of Gross National Product, we notice a continuous upward trend from 1950-51 to 1984-85; but if international scale is assumed as a measure of comparison for India, then we are far lagging behind in respect of proportion of GNP being allocated to education. As a proportion of total plan outlay in various Five Year Plans also, the expenditure on education has shown a continuously downward trend from First Five Year Plan to Seventh Five Year Plan. These facts are clearly supported by the previous Tables 2.5, 2.6 and 2.7.

INTER-SECTORAL PRIORITIES :

If we look at the data on the break-up of expenditure on education, in the various Five Year Plans under different heads which is presented in

---

13. Azad, J.L., Government Support for Higher Education and Research, NIEPA and Concept, New Delhi, 1984, pp. 1-2.

Table 2.10, revealing that there has been inter-sectoral priorities and variations in terms of outlays during successive plans. In the First Plan, foremost priority was given to elementary education, which accounted for more than half of the expenditure on education durin that period. This position was however not sustained during subsequent plan periods. In the Second to Seventh plans, elemetary education could muster only about one-third of the plan outlay outlay on education. Secondary education, however, has maintained its position and has been responsible for a little less than one fifth of the total outlay during Second through Sixth plans. The university sector, excluding technical education, which was given a very low priority in the first plan and accounted for barely 9 per cent of the total outlay, was able to improve its position considerably over the successive Five Year Plans.[14] Technical education also showed a substantial increase during the Second, Third and Annual Plans which accounted for 18 per cent, 21 per cent and 25 per cent respectively as compared to 30 per cent in the First Plan. But in Fourth, Fifth, Sixth and Seventh Plans, the status quo of First Plan has been maintained by claiming 13 per cent, 12 per eent, 11 per cent and 11 per cent respectively. In the seventh Plan higher education and secondary education together claimed

---

14. Ibid., p.3.

Table 2.10

EXPENDITURE ON EDUCATION IN THE VARIOUS FIVE YEAR PLANS

| Item | First Plan | Second Plan | Third Plan | Annual Plans | Fourth Plan | Fifth Plan | Sixth Plan 1980-85 | Seventh Plan 1985-90 |
|---|---|---|---|---|---|---|---|---|
| 1. Elementary Education | 85 (58) | 95 (35) | 201 (34) | 74 (23) | 239 (30) | 410 (32) | 905 (36) | 1830 (29) |
| 2. Adult Education | 5 (3) | 4 (1) | 2 (-) | 2 (1) | 2 (1) | 18 (1) | 122 (5) | 360 (5) |
| 3. Secondary Education | 20 (13) | 51 (19) | 103 (18) | 52 (16) | 140 (18) | 250 (19) | 398 (16) | 2585 (21) |
| 4. University Education | 14 (19) | 48 (18) | 87 (15) | 78 (24) | 195 (25) | 292 (23) | 486 (19) | |
| 5. Other Programmes | 9 (6) | 23 (8) | 64 (11) | 38 (9) | 90 (11) | 122 (9) | 245 (10) | - - |
| 6. Sub-total (General) | 133 (87) | 221 (81) | 457 (78) | 237 (74) | 668 (85) | 1092 (85) | 2162 (86) | 4775 (75) |
| 7. Technical Education | 20 (13) | 49 (18) | 125 (21) | 80 (25) | 106 (13) | 156 (12) | 278 (11) | 682 (11) |
| 8. Art and Culture | - - | 3 (1) | 7 (1) | 4 (1) | 12 (2) | 37 (3) | 84 (3) | 926 (14) |
| Total | 153 (100) | 273 (100) | 589 (100) | 321 (100) | 786 (100) | 1285 (100) | 2524 (100) | 6383 (100) |

Note : Figures in Brackets are percentages of total
Source: Compiled from Five Year Plan documents

41 per cent which is also quite high. Adult education was not given due share until the Sixth Plan and then the Seventh Plan which gave 5 per cent of resources to it.

There was some improvement during the Sixth Plan when 41 percent of plan outlays were allocated to elementary and adult education sectors which resulted in the proportionate lowering down of outlay for university education to 19 per cent. But Azad is doubtful about sustaining this position as revealed by the Sixth Plan allocation of outlays on education when he remarks that "it is, however, difficult to hazard a guess about the extent to which the elementary and adult education sectors would be able to withstand the onslaughts of successive plan revisions, which have been the normal feature of the planning of education in the country." [15] He is right in his anticipation and doubt when the allocation of the Seventh Plan has lowered the share of elementary education from 36 per cent in the Sixth Plan to 29 percent. In this again, secondary and higher education claimed still higher, 41 per cent and the proportion of art and culture which had earlier accounted for a very insignificant amount, has been raised to 14 per cent from 3 per cent in the Fifth and Sixth Plans.

Many educationists and planners believe, with regard to the financing of higher education vis-a-vis

---

15. Ibid., p. 3.

other sectors of education, that there are preferential treatment and diversion of outlays from elementary and secondary education to higher education. But it is not wholly true as revealed by Azad's analysis. The higher education sector is as much susceptible to curtailments of outlays as any other sector of education. It is howe ver unfortunate that the state governments, harassed by the rising enrolments, are allocating larger outlays for quantitative expansion.[16]

INTER-STATE COMPARISON :

To know the relative position of various states in regard to financing of education as a whole as also its major sectors, it will be befitting to present Azad's analusis here. He has devised two methods[17] to compare the situation.

(a) Comparative Study of the State's Efforts and Capacity to Spend on Education

The 'effort' as referred to in this particular context will mean per capita expenditure on education. The 'capacity' is to quantify the net per capita domestic product for different states.

16. Ibid., p.8.
17. The idea of using these methods was first expounded by Azad, J.L., in his earlier work 'Financing of Higher Education in India'(Sterling,1975),which got still emphatic exposition in his latter book'Government Support of Higher Education and Research'(NIEPA and Concept,1984). The importance of Inter-state comparison is so much that it again received the coverage in his ICSSR Fellowship study'Financing of Higher Education in Indian States'(NIEPA mimeograph, 1985).

The relationship between 'effort' and 'capacity' in respect of education as a whole and its breakup into major sector is measured by calculating rank correlation as presented in Table 2.11.

Table 2.11

RANK COEFFICIENTS OF CORRELATION BETWEEN PER CAPITA NDP OF STATES AND PER CAPITA EXPENDITURE ON EDUCATION - TOTAL, ELEMENTARY, SECONDARY AND HIGHER EDUCATION.

| | 1960-61 | 1965-66 | 1970-71 | 1975-76 | 1980-81 |
|---|---|---|---|---|---|
| NDP and Total Education | 0.78 | 0.63 | 0.65 | 0.71 | 0.56 |
| NDP and Elementary Education | 0.50 | 0.39 | 0.42 | 0.42 | 0.30 |
| NDP and Secondary Education | 0.63 | 0.71 | 0.73 | 0.82 | 0.54 |
| NDP and Higher Education | 0.74 | 0.50 | 0.46 | 0.37 | 0.19 |

Source : Azad, J.L., 'Financing of Higher Education in Indian States' (NIEPA Mimeo., 1985), p. 8.

Azad notes the following important points from the analysis of the above table :

1. There has been over all diminution in the coefficients of correlation between the per capita net domestic product and all other sectors of education during 1960-61 - 1980-81. It means that, over the years, the NDP is fast becoming an irrelevant factor so far as expenditure on education is concerned.

2. In the case of higher education, the relationship has indicated a consistent decline so much so that the coefficient of correlation

in 1980-81 is extremely insignificant. This clearly shows that, through a deliberate policy, the states have not provided funds for higher education consistent with quantum of the NDP.[18]

(b) Inter-State Variations in Per Capita Investment in Education

Variations between the per capita NDP and the per capita expenditure on education as a whole and among its major sectors are depicted in the following Table 2.12.

Table 2.12

COEFFICIENTS OF VARIATION AMONG THE PER CAPITA NDP AND PER CAPITA EXPENDITURE ON EDUCATION AS A WHOLE AS WELL AS ITS COMPONENTS

| Year | Per capita NDP | Per Capita Expenditure on education | Per Capita Expenditure on | | |
|---|---|---|---|---|---|
| | | | Elementary Education | Secondary Education | Higher Education |
| 1960-61 | 19.22 | 30.07 | 42.69 | 50.10 | 48.00 |
| 1965-66 | 29.48 | 24.40 | 30.50 | 37.50 | 28.50 |
| 1970-71 | 24.62 | 27.26 | 46.52 | 45.97 | 38.09 |
| 1975-76 | 22.20 | 33.67 | 39.00 | 46.33 | 34.38 |
| 1980-81 | 32.31 | 34.48 | 38.93 | 47.33 | 30.97 |

Source : Ibid. (NIEPA,Mimeo, 1985), p. 9.

The following points emerge from the analysis of the above table :

1. No definite trend is discernible in the inter-State variation in the per capita expenditure

18. Azad, J.L., Financing of Higher Education in Indian States (NIEPA, Mimeo., 1985), p.9.

on education as well as in regard to its break-up among different sectors of education. The data reveals wide fluctuations in the individual years.

2. Taken as a whole, the inter-state variations in the case of per capita NDP and per capita expenditure on education have increased.

3. In the case of secondary and higher education, there has been a decline in the inter-state variations. In case, however, 1960-61 is excluded, the extent of variation appears to have substantially increased in all the sectors.

The foregoing analysis focuses on the declining relationship between 'effort' and 'capacity'. Still more downward trend is indicated in respect of higher education, implying thereby that the states have showed reluctance in allocating resources for education according to their 'capacity'.[19]

An extremely erratic behavioural pattern of sectoral allocation, indefinite and directionless expenditure imply the non-seriousness and purely ad-hocism in the allocation of resources rather than definite, well conceived policy of the financing of higher education and educational programmes as a whole as guided by the policy and deceision-makers.

---

19. Ibid., p. 10.

DISQUIETING FEATURES :

Despite an enormous expansion in the field of higher educational facilities in India after independence in terms of growth of institutions, enrolment and expenditure, certain negative features have been brought out by their close analysis. In financial matters, there are many, barring a few, universities suffering from deficit budgets facing the problem of shortage of financial resources. There has been a clear-cut bias in favour of universities, being given more funds, and a comparative neglect of colleges for general education, though certainly majority of the students in higher education are receiving their academic pursuits in these institutions. Continuous and high rate of inflation in the economy has affected education sectors also in as much as the other sectors of economy. Due to inflation, the per student cost has gone up. Over the years there has been a very inconsistent growth because there seems to be no or little relationship between the rate of growth of per student expenditure in education as a whole and its growth rate of enrolment.

If we look at the growth rate of higher education, the growth of expenditure on it has been quite outstripped by the higher growth rate of student enrolment, thereby putting a pressure on resource constraints of the economy. The analysis of cost of

education reveals that staff salaries constitute the largest recurring and maintenance expenditure. Due to trade unionism in teaching and non-teaching communities in the educational institutions, they have been claiming a continuously rising share of expenditure on education over the years. The salaries are the most important source of raising expenditure on education in India.

SOURCE OF FINANCING :

It is clear that education is going to be one of the major sectors which will continue to demand greater and greater share from the limited resources of the country. Another trend witnessed in the growth of educational expenditure is the phenomenal increase in the proportion Government expenditure on education which has increased from 57 per cent in 1950-51 to nearly 80 per cent in 1978-79. But at the same time, the proportion of plan allocations for education has been going down from one plan to another; it has decreased from 7.2 per cent in the First Plan to 2.8 per cent in the Sixth Plan. At present most of the Indian States, with whom rests the major responsibility of management and development of education, spend a little over $\frac{1}{4}$ of their budgets on the development of education in their respective states, the proportion of Central Government being only 3 per cent. With the allocation of lesser proportion of resources on education in the plan reportedly due to limited resources on the one hand and an increasing demand of support for educational

development on the other, the strategy to be adopted in regard to allocation of resources and their utilization to the best effects assumes immediate importance.

There are principally four sources of financing for educational institutions. These are Government(Centre and States), Local Boards (Municipal Committees/Corporations for urban areas and district boards for rural areas), fees and private endowments. While the contribution from Government funds constitutes 80 per cent of the total expenditure, fees accounts for 12 per cent, the remainging 8 per cent is shared by local bodies and private endowments in the proportion of 5 per cent and 3 per cent respectively.

Table 2.13
SOURCE-WISE PERCENTAGE DISTRIBUTION OF EXPENDITURE ON EDUCATION

| Sources | 1950-51 | 1978-79 |
|---|---|---|
| Government Funds | 57.1 | 80.0 |
| Local Bodies Funds | 10.9 | 5.0 |
| Fees | 20.4 | 12.0 |
| Endowments and other Private Sources | 11.6 | 3.0 |
| Total | 100.0 | 100.0 |

Source : Trend of Expenditure on Education 1968-69 - 1978-79, Ministry of Education, Government of India, 1980.

It is interesting to see that how the proportion of Government funds has increased and how the share of other sources has declined. Table 2.13 indicates the growth and declining trends in sharing the financial responsibilities of different sources of financing of education.

Apart from the sources of expenditure referred to above, investments are made by the public and voluntary agencies in the initial stages of the establishment of institutions and later at the time of their further growth particularly institutions of higher education, by incurring a portion of non-recurring expenditure in the form of land buildings and equipments.

The tuition fees paid as a price for educational benefits, is the single internal source of financing eudcation. The Central Government, State Governments, Local Bodies, etc., are the external sources of institutional finances. The financial support given by the household (through tuition fees), private endowments and charitable institutions is usually referred to as "Private Sources" of finances and financial support given by Central Government, State Governments and Local Bodies constitute the 'Public Sources' of finances. As is evident from the above table, the public sources of finances have increased to 85 per cent o f the total expenditure on education and sharing responsibility of the Government is ever increasing. In fact, the time is coming when it can be safely said that educational financing is the sole responsibility of the Government. In spite of phenomenal increase in enrolment at all stages from 2.5 million in 1950-51 to 100 million in 1978-79, the share of fees has declined in proportion from 20 per cent in 1950-51 to 12 per cent in 1978-79, and this trend is due to adoption of a liberal admission policy of education especially

at higher education levels on the one hand and heavily subsidised education on the other. This approach is bound to accelerate the resources difficulties.[20]

GROWTH OF EXPENDITURE ON EDUCATION BY SOURCES :

The broad outlines about the sources of financing education in India have already been discussed above. Table 2.14 is presented to supply a little more and detailed

Table 2.14
TOTAL EXPENDITURE ON EDUCATION BY SOURCES :
ALL INDIA 1950-51 to 1975-76

(Rs. in crores)

| Year | Govt. Funds | Local Body Funds | Univ. Funds | Fees | Endow-ments & other Sources | Total |
|---|---|---|---|---|---|---|
| 1950-51 | 65.3 (57.1) | 12.5 (10.9) | - - | 23.2 (20.3) | 13.3 (11.6) | 114.3 (100.0) |
| 1955-56 | 117.2 (61.8) | 16.4 (8.6) | - - | 37.9 (20.0) | 18.2 (9.6) | 189.7 (100.0) |
| 1960-61 | 234.1 (67.9) | 22.5 (6.5) | - - | 59.0 (17.1) | 28.8 (8.4) | 344.4 (100.0) |
| 1965-66 | 437.4 (70.4) | 38.9 (6.3) | 6.3 (1.0) | 97.3 (15.7) | 41.4 (6.6) | 621.3 (100.0) |
| 1970-71 | 864.0 (75.6) | 40.5 (3.6) | 15.2 (1.4) | 143.2 (12.8) | 65.4 (5.8) | 1118.3 (100.0) |
| 1975-76 | 1652.3 (78.5) | N.A. | N.A. | N.A. | N.A. | 2104.7 (100.0) |

Note : Figures in the brackets are percentages of total.

Source : 1. A HandBook of Educational and Allied Statistics (1983), Ministry of Education.
2. Education in India, different volumes, Ministry of Education and Culture, Govt.of India.

information about the source-wise expenditure on education

20. Trend of Expenditure on Education 1968-69 - 1978-79, Ministry of Educationand Culture, Government of India, p. 2.

as a whole. In this table also, it is clearly evident that dependence on public sources (Government - Central, States, U.G.C. and Local Bodies) is increasing while there is continuous decline in fees, university funds, endowments and other sources.

For the university level also, the situation is similar. Table 2.15 is presented just to have a bird's

Table 2.15

SOURCE WISE INCOME PER PUPIL IN INDIA , 1976-77

(in Rupees)

| Source | Recurring | | Non-recurring | | Total | |
|---|---|---|---|---|---|---|
| | Amount | % | Amount | % | Amount | % |
| Central Govt. | 290 | 5.0 | 92 | 8.2 | 382 | 5. |
| State Govt. | 2775 | 48.2 | 420 | 34.3 | 3194 | 46. |
| UGC | 802 | 13.9 | 385 | 37.4 | 1187 | 17. |
| University | 352 | 6.1 | 36 | 3.2 | 388 | 5. |
| Local bodies | 68 | 1.2 | 1 | 0.1 | 70 | 1. |
| Public Sources (1 to 5) | 4287 | 74.5 | 934 | 83.2 | 5221 | 75. |
| Fees | 864 | 15.0 | - | - | 864 | 12. |
| Endowments | 46 | 0.8 | - | - | 46 | 0. |
| Others | 557 | 9.7 | 188 | 16.8 | 745 | 10. |
| Total (1 to 8) | 5757 | 100.0 | 1122 | 100.0 | 6876 | 100. |

Source : Compiled from the data based on Education in India 1976-77, Ministry of Education and Culture.

eye view for a particular year of the source wise income per pupil in India at the University stage. It is clear that public funds accounted for about 75 per cent of total resources in university education. Fees accounts for nearly 13 per cent and about 12 per cent is accounted for by endowments and other sources. Among the public, the

contribution of the state governments is about 46 per cent, of the Central Government including the UGC is about 23 percent and the remaining 6 per cent is contributed by the university and local bodies.

In recurring expenditure at the university level, out of Rs. 5754 per pupil, the fee income is only Rs. 864 and thus, the extent of subsidy per student is Rs. 4890. In case non-recurring expenditure, then the element of subsidy per student works out to be Rs. 6012. In other words, university education is highly subsidised in India.

EFFICIENCY OF THE SYSTEM

Generally two components are discussed where there is any mention of the efficiency of the education system in India. They are - (a) the wastage and stagnation at the university stage, and (b) the utilization of the end product. There are a number of studies revealing the huge wastage that occurs at the university and college due to failure in various examinations and substandard quality of those who are successful. Specially in humanities and social sciences, approximately 50 per cent students fail to pass the under-graduate level. Of the successful, about 75 per cent do pass with lowest grade.

Unemployment among the university graduates and post graduates is a recent experience in the Indian educational system. This testifies to the fact that there is inherent misperception of the policy options in higher

education sector as also the Indian economy's overall absorption capacity.

It is argued in this context that, given the Indian conditions constrained by already limited resources at hand, the enormous and huge amount of resources - human and material wastage, that has become the routine and characteristic phenomenon in our educational system, will be dangerous and will involve other problems debarring further expansion and development of educational facilities. Sincere efforts should be made and such policy prescriptions should be adopted as to bring about a fundamental restructuring of the university system to do away with the wastage that occurs in our higher education sector.[21]

CONCLUSION

As has been discussed and analysed in this chapter, Indian higher education system has experienced a phenomenal and unprecedented expansion and growth in the post-independence era in terms of number of institutions, enrolment and educational expenditure. Beside, it has grown up with a lot of problems and disquieting features as : inadequacy of financial inputs in many universities and colleges, comparative neglect of colleges, high rate of inflation eroding the real cost of education, and rising component of salaries and diminishing expenditure on other items.

In conclusion, it would be pertinent to mention

21. Azad, J.L., op. cit. (NIEPA, 1984), p. 19.

some recommendations as have been resolved by many educationists and policy and decision-makers after long deliberations. They are as follows :

(i) There is a need for structural changes in the system of education. This would necessitate closing down or amalgamation of the non-viable units, adopting stricter rules of admission in order to promote meritocracy, enforcing stricter rules of affiliations by the universities and rationalisation of courses of study.

(ii) Restructuring of educational technology, as of mass media, correspondence courses, open university and pooling of academic resources, particularly the sophisticated equipments.

(iii) Optimizing private resources, particularly revising upwards the fees structure which was archaic, uneconomic and anti-egalitarian. The present fee system was a regressive form taxation, which gave a huge unearned subsidy to all regardless of capacity to pay, It is, therefore, suggested that some sort of differential fees system should be adopted under which the students of recognised merit would pay usual fees with provisions of scholarships for the economically backward students. Those found unsuited academically would be required to pay almost the full cost of education. The operational difficulties in

in the implementation this scheme were mentioned and yet it was found worth experimenting.

(iv) Private philanthropy should be encouraged to contribute to education. There would be tax exemptions, without any ceiling, for contributions to education.

(v) Loan assistance rather than grant assistance to students. Taxing the 'brain drain', users of technical manpower to education costs, etc. The utilization of non-monetary inputs is necessary to bring about internal and external efficiency in the education system.[22]

It is now a matter of sincere and dedicated efforts to execute and implement the policies based upon such reccommendations. Unless some adequate, heart-bearing and concerted devotions are genuinely paid, no policy whatsoever will be successful and yied any desired results.

---

22. Report of the Seminar on the New Education Policy held at the Zakir Hussain Centre for Educational Studies, Jawaharlal Nehru University, 29-30 October, 1985 (Mimeo), pp. 9-10. Approximately similar ideas have been put forward by Singh, Amrik and Sharma, G.D., 'Introduction', pp. 1-18, Kamat, A.R., Financing of Higher Education : A Socio-Political Analysis of the Basic Issues", pp. 19-31. Both these papers are included in (ed.) 'University and College Finances' by Singh, Amrik and Sharma, G.D., A.I.U., New Delhi, 1981. Azad, J.L., 'Government Support for Higher Education and Research' (NIEPA and Concept, 1984) also gives recommendations like these.

# C H A P T E R - III

## THE GRANTS-IN-AID SYSTEM

In the previous chapter we have analysed various aspects of higher education in India in detail. Important aspects like definition, objectives, importance, expansion, number of institutions and enrolment, and financing with its many dimensions, regarding higher education have been discussed extensively. These are important for general survey and overview of development of higher education in India after independence and also for a general review by the researchers in various area of higher education.

The present chapter will be devoted to study different aspects of grants-in-aid emphasising higher education in particular. Against the back-ground of the previous chapter, the study of the system of grants-in-aid of education in India would become an easy task because financing of education in general is done through this system.

This chapter will include also the study of the system of grants-in-aid and financing of higher education in the Indian States of Gujarat and Uttar Pradesh for the sake of presenting a meaningful comparative profile.

DEFINITION :

The grants-in-aid have been defined in the beginning of the first chapter. It is accepted generally

that British period gave the legislative sanction to the government to spend on education and grants began to be allocated to educational institutions. Since the state was unable to meet the whole cost of education, provision for grants-in-aid was made which was responsible to meet partially the expenditure of the institutions.

A grant originally and strictly was a gift of real property or money from the sovereign power to a natural or legal person for use in purposes likely to benefit the general public. Later on it became accepted as a contribution by a governmental unit to another unit, often by a larger unit to a subordinate one, ordinarily to aid in the support of a specified function like education, but sometimes also for general purposes. It was also supposed to be an appropriation of funds where the amount and purpose of the funds and the period of time during which they were expendable were usually specified. Sometimes it is called monetary grant to differentiate it from grants of property and land. It is usual to put an appellative before the grant to indicate the source from which it comes, for example federal grant is any subsidy made by the federal government, state grant is the sum of money or money's worth given by the state government and foundation grant is the gift of money made by a philanthropic foundation or agency.

A grant is generally meant to meet only a part of expenditure, hence it is often called grant-in-aid and requires a preliminary or matching contribution and the meeting of certain stipulations by the receiver of the grant. It is a financial arrangement between various levels of government or a fiscal cooperation, between the government and various private agencies that manage education.

PURPOSE :

Generally speaking the purpose of the grants-in-aid is to help in the expansion and development of educational facilities. In democratic India, education has a special significance for it can survive and thrive only if it can create enlightened citizens. The following main purposes of grants-in-aid may be listed :

1. Equalisation of Educational Opportunities: Equality of educational opportunity to the children of all people irrespective of caste, creed, class and colour or economic status is the basic principle of the educational system of all democracies. It is then the duty and responsibility of the democratic state to provide facilities for education to all people. A minimum programme of universal education and opportunities for the development of individuals according to their talent and capacity should be arranged by the state. In this regard, all concerned agencies and

organisation have to be encouraged and assigned to spread education as rapidly and efficiently as possible.

2. Encouragement of Private Enterprise : Education is one of the costliest activities in which the government has to make investment. With various s responsibilities for other social services, government alone cannot shoulder the entire burden of financing education. To permit experimentation and flexibility in the development of educational programmes, to arouse local interest and to protect education against the capture by the political party which happens to be in power in the central government, grant-in-aid has to bring forth private enterprise in the field of education and encourage their cooperation.

3. Sharing the Burden : Generally, there is a resources constraint in the private sector which differs according to the availability of donations and subscriptions from the public. Income from fees of the students is also limited which always creates problems for private agencies in the efficient conduct and management of educational institutions. Therefore, one of the main purposes of grants-in-aid is to share the burden of private enterprise in providing good education.

4. Ensuring Efficiency and Control : In the indiscriminate expansion of education, quantity may be emphasised at the cost of quality. In order that education may serve its purpose, a fairly high minimum standard of efficiency has to be maintained. Qualified staff, adequate accommodation and requisite equipment and literature have to be provided to the institutions. There should be sanction for the exercise of regulatory and inspectorial powers by the departmental authorities. The system of grants-in-aid helps to maintain standards of efficiency and provides sanctions for supervision and control.

5. Stimulating Various Areas of Study : The human resource development in the various fields of the country's economic development has to be guided by suitable policy and courses for preparing the required personnel have to be provided. The neglect of technical and vocational education in India by the British Government and the emphasis on literary education has helped to educate a large number of men who are not only unemployed but unemployable also. In these circumstances the state may encourage the provision of neglected though valuable areas of study through grants-in-aid specifically given for starting

these courses.[1]

CHARATERISTICS :

There are some distinguishing charateristics of grants-in-aid which become obvious from the previous discussion. The grants-in-aid are given by a superior authority to a subordinate agency for the benefit of general public and for a specific purpose. Generally they do not meet the whole expenditure but a part of it, the remainder is provided by the receiver of the grant. Their payment is periodical and expendable within a stipulated time span. Certain conditions are attached to their utilization which have to be fulfilled to ensure a proper use of grants. If grants are given, they are generally not taken back, but if stipulated conditions are not met they can be withheld or withdrawn.

A good grant-in-aid system has the following charateristics :

1. Adequacy : The adequacy of the amount of grant is very essential. It should neither be too less that it compels the recipient to fall back on his uncertain and meagre resources; nor too much that it gives way to private profit motives. Adequacy of the grant is ensured if it is just enough to meet the expenditure on education without slackening down of local efforts.

1. Misra, Atmanand : Grants-in-Aid of Education in India, Macmillan, India, 1973, pp. 2-5.

2. Flexibility : Local condition, their financial resources, type of education and the operational costs determine the amount of grant to various agencies. These variations should be taken into consideration by the grants-in-aid system. It must in the first place be sufficiently elastic and, on the other hand, be sufficiently rigid to avoid any kind of suspicion that one school is given more and undue grants than another.

3. Stability : The characteristics of stability implies that the grants-in-aid system should ensure an approximately stable income. Frequent fluctuations in the amount of grant given will result in uncertainty faced by educational institutions. The allotment of grants should not be left to the personal and subjective considerations of the sanctioning authority rather a well-set rule should be chalked out for the purpose.

If the stability criterion is applied to the method of assessment, it implies that the grant should be computed on the basis of certain constants or invariables that are supposed as stable factors in the budget of school. Inclusion and exclusion from time to time of certain items of expenditure and income of the institution

brings uncertainty and instability. Thus salaries of the establishment and number of pupils are the near invariables in the educational balance-sheet. Stability will be ensured by applying a formula for calculating grants based on these invariables.

4. Simplicity : The modus-operandi of the grants-in-aid system should ensure simplicity. A big series of several formalities through which an application of grant has to pass often causes delays and disenchantment among people. All procedural bottlenecks should be removed and a simple method evolved. If a large number of items are included in the formula and a lot of mathematical calculations are needed, the assessment of the grants becomes painstaking and mechanical. Therefore, simplicity of the grant-in-aid system will make it readily acceptable and easily applicable.

5. Security : The grants given should be devoid of mismanagement, profiteering and fraud. To minimize chances of false payments, irregular accounts and misappropriation of funds, strict rules should be made in this regard. Provision of regular audit and supervision should be made and the grant should be suspended or even withdrawn if any such irregularity is suspected.[2]

2. Ibid., pp. 5-7.

BRIEF HISTORICAL BACKGROUND :

A bird's eye view of historical background and the circumstances in which the system of grant-in-aid originated and developed in India will facilitate to a better and fuller understanding of the system. In India due to the pluralistic socio-religious factors, a variety of educational systems suited to their peculiar needs, varying systems of government assisstance to education were prevalent, whether in kind or money, in the period as early as Brahmanical system followed by the Buddhist period, the medieval period and the British period. It is only the British period in India during which modern system of education was established and government assisstance through the system of grants-in-aid was mostly developed. The government support for education during the British period starting from the establishment of the East India Company in 1600 A.D. to the dawn of independence in 1947 has passed through different phases. Therefore, historical background of financing through grants-in-aid system will be dealt by emphasising the British period.

Educational finance during the British rule can be conveniently divided into four periods or stages of educational policy developments, namely period I (1600 to 1812), period II (1813 to 1901), period III (1902 to 1921) and period IV (1921 to 1947).

PERIOD I : (1600 TO 1812)

During this period educational policy may be characterised by the general apathy towards educational development. The educational efforts of the East India Company were of a very limited significance. The Company was constrained to limit its efforts due to the combination of two factors: (i) limited commercial and political objectives requiring severe restriction of its functioning, and (ii) constraints of financial resources. Due to these circumstances prevailing early attempts at opening educational institutions and their financing were made by individual officers of the East India Company.

PERIOD II (1813 - 1901 ):

This period is marked by the first legislative sanction for the East India Company to participate and assist in the education of the people of India. It was done through insertion of certain sections in the Charter Act of 1813. There were controversies about the type of educational institutions and medium of instruction in them which were to receive government grants. Lord Macaulay's Minute of 1835 and Lord Bentinek's seal were to resolve these controversies.

During this period various educational despatches were brought forth to regulate and give assistance to educational institutions. Wood's despatch No. 49 dated

19th July 1854 to which goes the credit of organizing the modern system of education in India made the first authoritative declaration in favour of adopting the principle of grant-in-aid. The system of government assistance experienced many irritants during subsequent educational despatches. The Despatch of 1858 attacked the grant-in-aid system; the Despatch of 1859 found it unsuited for the supply of primary education; Despatch No. 14 dated 8th April 1861 insisted that the wealthier classes should contribute to the cost of their education and make government schools more self-supporting than before by paying substantial fees; Despatch No. 12 dated 24th December 1863 directed to extend to the general population those means of education which had so far been too extensively confined to upper classes; Despatch No. 13 of April 1864 reiterated that the resources of the state should be applied to assist those who could not be expected to help themselves.

It would be noticed that during the last quarter of the 19th century the need for evolving a policy framework relating to financing of Indian education was recognised by the government. The Indian Education Commission (1882) laid down positive guidelines relating to such subjects as grants-in-aid policy, fees policy, the method of securing cooperation from the non-government organizations for setting up

educational institutiona and the expansion of the aided institutions. It was in pursuance of the Education Commission's recommendations that the system of adjusting thequantum of government grant according to the number of pupils who passed the various examinations was replaced by other tests based on considerations such as needs and merits of the institutions and the amount of private funds forthcoming. This heralded the evaluation of the system of government grants for institution of higher education.[3]

PERIOD III (1902 - 1921):

The central government in this period started taking increasing interest in higher education by extending assistance to universities. The Indian Universities Commission, 1902 recommended a lot of important changes to improve the facilities and character of universities. The period had been characterised by a number of policy announcements by the Government of India on the subject of education. The increasing interest of government in educational development was also welcomed by the King Emperor, or,

---

3. Azad, J.L. : Government Support for Higher Education and Research. NIEPA and Concept Pub. Company, New Delhi 1984, p. 30. He has made an extensive study of financing and grants-in-aid system for Education in India in a historical retrospect. Misra, Atmanand: Grants-in-Aid of Education in India, also gives a good account of evolution of grants-in-aid system in India., pp. 8-27.

as was revealed by his adress in the Calcutta University on the 6th January, 1912. As a follow up of his address the Government of India announced the following decisions :

1. Providing assistance to the local governments by means of large grants from Imperial revenues, as funds became available, to extend comprehensive system of education in several provinces ;
2. Liberalization of grant-in-aid rules; grants to be based on the general efficiency of the institutions and desert rather than rules of calculation; and
3. Full encouragement to be given for improved and original method of teaching.

The financial assistance was given to the universities during this period. Before 1904 the government did not assist any university. The universities were merely examining bodies which did not require any grants. Income earned out of examination fees was enough to finance their activities and to provide for the paid servants of the universities. It was only when the universities were made responsible for inspection of colleges as well as undertaking direct teaching functions that the need for government assistance was felt strongly.[4]

---

4. Ibid., p. 32.

PERIOD IV (1921 - 1947):

The Government of India Act, 1919 introduced an administrative system called 'Dyarchy' which stopped the grants to education by the central government. It made obligatory that the provincial governments would give yearly contributions to the central government. The financial position of the provincial governments started dwindling which was further constrained by the economic distress caused by First World War. This resulted in the huge curtailment in the educational budgets which seriously retarded the development and expansion of education.

Another effect of the 'Dyarchy' was that control and taking care of education by the Government of India in major provinces stopped. The popular ministers could not properly exercise their control over the matters of educational financing. When the Indian ministers received greater control over finances during the Provincial autonomy introduced by the Government of India Act, 1935, high expectations were made for improving the position of education. But nothing significant could be achieved because of the Second World War and the political instability and insecurity that followed in the wake of Quit India Movement which has been an adverse impact on the availability of resources for education. Later on a University Grant Committee was

appointed in 1945 to recommend to Government of India the additional amount in the forms of grants-in-aid from public funds required fo the universities and to co-ordinate their activities and help their development.

It is clear that this period was generally was marked by financial and political insecurity and instability in the country. Further, the Government of India was divested of the responsibility of financing and administration of education as well as higher education. It proved to be very disastrous for the development and expansion of higher education. This resulted in strong opposition from various concerns to stop this constitutional isolation on the part of the central government.[5]

POST INDEPENDENCE PERIOD :

After independence, the Constitution of India included education in the Government List of the Seventh Schedule of the Federal Government which makes the central and state governments jointly responsible for the expansion and development of educational facilities in the country. The financial aspects are some of the most important aspects for educational institutions. Hence, at the central and state levels, a very essential pre-requisite for modernisation of financial administration of higher education has been

---

5. Ibid., pp. 32-34.

the rationalisation and streamlining of the policies and patterns of government assistance to the institutions of higher education through grant-in-aid system.

After going through a brief historical background of the evolution and development of the grant-in-aid system in India to assist various types of institutions in India, it will be easy enough to understand important aspects of the system, whether at the central level or at the state level. We shall, now, discuss the types of grants-in-aid general and state grants-in-aid in particular because we are basically concerned with the state assistance to higher education.

TYPES OF GRANTS:

The general and important things regarding grants-in-aid may be noted as follows :

The grants-in-aid are the major sources of receipts of the university. The grants are usually received from the State Government, the Government of India, the University Grants Commission, as also occasionally from outside agencies.

Broadly speaking the grants can be divided into two categories, viz., (i) recurring and (ii) non-recurring. Recurring grants are paid for financing expenditure on pay and allowance on other contingent expenditure like printing, stationery and postage,

advertisement and travelling etc., on a particular scheme, whereas non-recurring grants are received generally for expenditure on acquisition of areas like buildings, books and equipments.

Grants received for specific purposes are to be utilised for such purposes only within the prescribed time limit and no diversion, therefore, for other purposes is permissible. Incurring of expenditure in anticipation of grants or in excess of grants is also not permissible.[6]

The University Grants Commission was set up as an autonomous body to make the required financial assistance to the universities without government control or interference. Maintenance and matching grants to the state universities are directly given by the state governments. They are responsible for the maintenance of their respective universities. In this context, the amendment of the University Grants Commission Act, 1972 which empowers the Commission to allot maintenance grants to state universities, has got significant relevance. However, the development of these universities is the joint responsibility of the Centre and the States. Institutions like Central Universities, 'deemed' to be universities and institutions of national importance are wholly financed by the Central Government for their maintenance and development

---

6. Sobti, M.L. : 'A Financial Code for University Systems' NIEPA-Vikas, 1987, New Delhi, p. 53.

expenditures.

The grants extended by state governments to their respective universities may be categorised as follows:

(i) Maintenance (non-plan) grants, which are basically for the day-to-day functioning of the institutions;
(ii) Development (plan) grants, which are mainly given on a matching basis to enable the institutions to lift the assistance given by federal agencies like UGC, ICAR, etc.; and
(iii) Non-recurring grants for buildings and equipments, etc.[7]

Maintenance Grants :

The State governments determine maintenance grants for a sfecified period spread over 3 to 5 years. They are enhanced subject to an increase on account of the rise in costs, and are determined on the basis of the following criteria:

(a) The net deficit of the university on approved items for the previous years plus some increase on account of the rise in costs, and
(b) The budgetary constraints of the state governments. Some state governments have statutorily fixed the block grants.

Development Grants :

The development programmes of the university

---

7. Azad, J.L., Op.cit., p. 57.

are financed generally by the University Grants Commission In case of schemes or projects, the State Government provides matching share of Development(Plan) schemes.

The university submits proposals for the development of its activities to the University Grants Commission from time to time. These proposals called "Plan Proposals" are drawn up normally for the period coinciding with the country's Plan periods. The elements of a Development Plan get identified in several ways over a period of time.

Normally the university receives an indication from the University Grants Commission of the approximate size of the Plan finances that might become available to the university during the forthcoming Plan period. Such an indication is generally in advance of the close of the current Plan period and the university is requested to formulate its Plan within the anticipated Plan finances and also work out the priorities among the several items in the proposals.

Based on the recommendation of the Visiting Committee appointed for the purpose and the financial resources available for the Plan period, the University Grants Commission sanctions the grants to the university during each Plan period. The grants mostly relate to implementation of schemes of recurring and non-recurring nature for the purpose of the creation of new posts under the new Departments or for the expansion of the existing Departments and purchase of books, equipments, etc. or

for the construction of buildings. The grants are sanctioned on specific conditions to be complied with by the university.

State Governments Matching Share of Development(Plan) Scheme:

The University Grants Commission prevides 100 per cent grant for some schemes and 50 per cent of the recurring expenditure and 66 $\frac{2}{3}$ percent of the non-recurring expenditure for other schemes while the State Government provides the matching share consisting of the balance, i.e. 50 per cent of the recurring expenditure and 33 $\frac{1}{3}$ percent of the non-recurring expenditure.

Assistance from University Grants Commission for these programmes is given for a period of five years and there-after the entire responsibility becomes the committed expenditure of the state government.[8]

Generally, there are two main forms of grants-in-aid provided by the state governments to the universities; the deficit grant and the block grant which may be statutory, ad-hoc or based on the past expenditure.

Under the system of deficit grant, the annual maintenance grant is given on the basis of the estimated approved expenditure minus the estimated approved income, subject to adjustment in subsequent years on the basis of actual income and actual expenditure as revealed by the audited accounts.

The system of block grant, as a whole, works

---

8. Sobti, M.L., Op.cit.,pp. 56-59.

better. There are two main elements of a block grant : (a) the basis on which its amount is fixed; and (b) the frequency of revision.

After having discussed various types of grant-in-aid for educational institutions, we shall touch upon the code of grants-in-aid. Almost every state has drawn up an elaborate code for extending assistance to its institutions. Some common rules to all states may be summarised as follows:

(1) The management of the institution should be corporate body fulfilling the prescribed minimum conditions of recognition by the department of education, the board of secondary education or the university and should be answerable for proper maintenance of the institution.

(2) The management is made responsible for the maintenance of proper records and accounts accroding to departmental rules and for subjecting them to inspection and audit whenever required. It is expected to submit annual financial statements certified by chartered accountants.

(3) The educational facilities should be provided by the institution without any discrimination of caste, creed or colour.

(4) Secular instruction should be imparted. Any religious instruction given should be outside

the working hours and subject to the 'Conscience clause'of the Constitution.

(5) The management should undertake to maintain the prescribed standards of instruction and discipline.

(6) The rules of the department relating to appointment of teachers, payments of salaries, age of superannuations, rates of fees, minimum enrolment and attendance should be observed.

(7) The reservation of seats for the scheduled caste and scheduled tribe candidates on the staff and in the classes is also enjoined.

(8) The rates at which recurring and non-recurring grants will be given to various types of institutions are prescribed.

(9) The department of education reserves the right of reducing, withholding and stopping the payment of any grant in case of violation of rules.

(10) The grants can not be claimed as a matter right and will depend on the availability of funds with the state government.[9]

Apart from the above mentioned general conditions, the state codes also prescribe certain specific conditions suitable for the situation obtaining in their regions. They may be in regard to the composition of the management committee, its registration under the Societies

---

9. Misra, Atmanand, Op.cit., pp. 79-80.

Registration Act, operation of the institutional funds minimum enrolment for eligibility of grants, creation of a reserve fund, non-participation in politics by the staff, procedure of applying for grants, periodicity of payment and reassessment of grants, the authority empowered to sanction grants and the like.[10]

The study of the types of grants-in-aid and their general and specific conditions as regards various states in India presents a good picture of the system of grants-in-aid in the field of higher education. The country being constitutionally federal one, the systems, patterns and procedures of grants-in-aid for her various federating units assumes immense importance. Since education has recently been assigned a catalytic role to play in the overall development of the country, the grants-in-aid for education in general and higher education in particular and the policies for their implementation have also to be given a due recognition.

Now we shall discuss the patterns and procedures of grants-in-aid for higher education in the two individual states of Gujarat and Uttar Pradesh which we have selected for the purpose of our study.

PATTERNS OF STATE GRANTS IN GUJARAT :

In the state of Gujarat block grants are given to the state universities which are revised after every three years. Matching grants to approved development

10. Azad, J.L., Op.cit., pp. 44-50.

schemes are also extended to them.

Colleges of general education:

The maximum maintenance grant is 50 per cent of the total 'paypackets' for an institution with an enrolment of 250 and below and the minimum will be 15 percent of the total paypackets for a college with 1000 enrolment. The 'paypackets' include Pay, Dearness Allownace, House Rent Allowance and contribution of the institution to Provident Fund of the teaching and non-teaching staff. The ratio of teaching and non-teaching staff is also fixed.

The special grants upto Rs. 3000/- each for each of the principal subjects taught in Arts, Science and Commerce and Rs. 1000/- in each Arts and Science subjects are given provided the number of students in each subject is at least five. An additional 25 per cent of the grants admissible for two special subjects useful to women like music, dancing, painting, fine arts, etc., is allocated. Another additional grant of 25 per cent of the expenditure will be given as a special grant for science education for the first three years. This is subject to a maximum of Rs. 36,000/- per annum. After three years the percentage of grant will be reduced to 10. As far as building grant is concerned, rent for the building including taxes paid is provided subject to a maximum of Rs. 30,000/-.

The above grants have to be tied with some

conditions. 10 per cent of the annual expenditure may be diverted to saving fund subject to maximum of Rs. 2 lakhs. Free-studentship upto 5 per cent of the enrolment should be provided. It is binding upon the institution that it should emerge as an economically run institution within a few years. Grants will be restricted in case the number of students does not increase.

Colleges of Technical Education:

Maintenance grants are provided to the tune of 75 per cent of the admissible expenditure on Engineering Colleges and Polytechnics or the difference between the income and admissible expenditure, which ever is less. In case of Junior Technical School, the percentage is 50. The conditions attached are that private institutions will be under the supervision of the Department of Technical Education in respect of staff, strength, salary scales and fees. The institutions may charge 50 per cent higher rates of fees with the approval of Department of Technical Education and still higher rates with the approval of the State Government.[11]

Administration of Grants-in-Aid in Gujarat :

The state government has prescribed rules for processing and payment of grant-in-aid to non-government educational institutions in the state. The payment of grant-in-aid to non-government Science, Commerce and

---

11. Azad, J.L. : Financing of Higher Education in India, Sterling, 1975, New Delhi, pp. 167-87.

and Education Colleges in the state includes (i) Maintenance grants, (ii) Development grants, (iii) Special grants, (iv) grants to post 1969 colleges, and (v) general grants.

The development grants are of five types : (1) Affiliated colleges are eligible for payment of grant at 25 percent of the approved development expenditure of the schemes approved by the University Grants Commission as the matching share of the State Government, (2) Non-recurring grants from government are paid to non-government colleges for development on a planned basis, (3) Grants are given to the colleges for cooperative teaching and other projects, (4) Colleges which develop approved programme of faculty development are paid Faculty Development Grant. This includes training courses, workshops or summer schools, etc. (5) Every college is expected to prepare a detailed programme for the provision of guidance and counselling service, day duty centres, health and medical services, low cost cafetaria as also programmes of physical education, sports and games, etc. The expenditure on the programme should be met by levying a special fee with the approval of the proposed 'Gujarat Affiliated Colleges Board'. The Board should introduce and administer a system of special grant for encouraging this programme. It may be pointed out that government has prescribed rules for payment of grants-in-aid to non-government colleges for expenditure

on miscellaneous items like this also.[12]

PATTERNS OF GRANTS-IN-AID IN UTTAR PRADESH:

Uttar Pradesh, like other states in the country, operates a system of grant-in-aid to educational institutions administered by local government agencies and private managements. The government has taken overa statutory responsibility for payment of salaries to teachers and other employees of non-government aided degree colleges with effect from Ist April, 1975. Accordingly the colleges have to deposit 75 to 80 per cent of their income from fees to the salary payment account; and such amount as is needed for disbursement of salaries every month is also deposited as grant-in-aid to this account by the state government. This scheme is, however, not applicable to the colleges run exclusively by local government authorities. The latter colleges continue to get grants-in-aid according to relevant provisions of the state educational code, namely the maintenance grant to a degree college shall not exceed (a) half of the approved tuitional expenditure of the college or (b) the difference between recurring approved expenditure for the year and recurring approved income for the year, excluding government grant, whichever is less.

Adhoc grants are also available. But these are given only to degree colleges for development purposes

---

12. Educational Administration in Gujarat : A Survey Report, NIEPA, New Delhi, 1980, pp.56-57.

such as provision of laboratories, building, library books as also participation with the management in providing for matching contribution in respect of grants sanctioned by the University Grants Commission . Non-recurring grants however, are sanctioned to colleges year after year by the government out of funds specially provided for in the plan budget of the education department.

As regards the procedure of grant-in-aid to degree colleges, only those colleges are eligible to apply for them which have been in existence for atleast three years and have secured permanent affiliation with a university. These applications are scrutinised according to the criteria laid down by the state government and then forwarded to the government for decision.[13]

As far as colleges of technical education are concerned, recurring grants are extended by the state government to meet entire deficit, after five years of establishment. The state has no obligation to give grants for schemes financed by the Central Government on which central assistance has been withdrawn. The intake and courses are approved and prescribed by the state government. Fees should be charged by these institutions according to government rates, but capitation fee is not allowed to be levied by any institution.[14]

---

13. Educational Administration in Uttar Pradesh : A Survey Report, NIEPA, New Delhi, 1976, pp. 95-100, has summarised briefly the administration and procedures of grants-in-aid in the State. The code of the grants-in-aid is seldom revised in the State.
14. Azad, J.L., Op.cit., pp. 183-184

The universities in the state are provided two types of grants; (i) Annual block grant on deficit basis; and (ii) Grants for development schemes or special purposes.

In the foregoing discussions of this chapter, various aspects of grants-in-aid system have been touched upon. Starting from their definition, aspects such as purposes, characteristics, historical background and types of grant have been covered. In the last, patterns and procedures of state grants in Gujarat and Uttar Pradesh have also been briefly discussed. They are very important aspects as far the development and expansion of educational facilities in the country and in the individual state are concerned. Actually, the grants-in-aid system has become so crucial in deciding the character and direction of educational proliferation in India that it has recently attracted the attention of a lot of educationists and policy makers. Against the background of these discussions, the understanding and analysis of the subsequent chapters of this study will be immensely facilitated. The next two chapters, which immediately follow, will be based precisely on the lines discussed regarding the patterns of grants-in-aid in the two states of Gujarat and Uttar Pradesh for the data-based analysis of the grants given to higher educational institutions.

# C H A P T E R - IV

# STATE GRANTS FOR HIGHER EDUCATION IN GUJARAT

Gujarat state came into existence on May 1, 1960 after the bifurcation of the erstwhile Bombay State. Since then, it has been able to develop very fast that it has become one of the most prosperous states in India. It has experienced a very high rate of industrial growth and development. As far as various aspects of education is concerned it has claimed the status of being educationally advanced state.

The present chapter will be devoted mainly to study the state grants extended to ghigher educational institutions in Gujarat. Growth of institutions, enrolment and expenditure will be simultaneously studied to have a comprehensive idea of expansion and development of educational facilities in the state. The attempt will be made to examine the conditions of higher education in its entirety, so that by covering various dimensions we shall be able to have a clear understanding of financing pattern in the state. The study will be broadly based on the data analysis for recent years.

Introductory :

At the time of formation of Gujarat state there was a composite department known as 'Education

and Labour Department' dealing with matters relating to social welfare, labour prohibition and excise and employment. Gradually for administrative reasons, subjects other than education were detached from the Department and a separate department known as Education Department came into existence in 1976 . It started dealing with education including technical education, youth services and cultural activities, archives, archaeology and museums.In 1971, Directorate of Education was bifurcated and separate Directorate of Higher Education was set up. There is a separate advisory council to advise the state government in matters pertaining to higher education.

The director of higher education is in over all charge of higher education. As far as looking after the technical education programms is concerned the Directorate of Technical Education receives assistance and advice from the State Council of Technical Education, the State Liason Board and All India Council of Technical Education.[1]

ENROLMENT AND INSTITUTIONS :

There has been somewhat irregular and unsystematic growth of enrolment in the state of Gujarat in higher educational institutions. Table 4.1 depicts the

---

1. Educational Administration in Gujarat: A Survey Report 1980, NIEPA, New Delhi, pp.15-19

position clearly. The total enrolment, excluding P.U.C., which was about 1.69 lacs in 1976-77, rose to 1.08 lacs in 1977-78 showing 6.9 percent increase over the preceding year. For the next two years, there has beeen a decline in total enrolment by 3.1 percent and 2.8 percent in 1978-79 and 1979-80 respectively. Again during the next three years, there had been some improvement in the

Table 4.1

GROWTH OF ENROLMENT(EXCLUDING P.U.C.) IN HIGHER EDUCATION IN GUJARAT DURING 1976-77 & 1984-85

| Year | Enrolment | Percentage increase over the preceding year |
|---|---|---|
| 1976-77 | 168803 | - |
| 1977-78 | 180375 | 6.9 |
| 1978-79 | 174769 | - 3.1 |
| 1979-80 | 169878 | - 2.8 |
| 1980-81 | 174786 | 2.9 |
| 1981-82 | 195179 | 11.7 |
| 1982-83 | 198438 | 1.7 |
| 1983-84 | 196110 | - 1.2 |
| 1984-85 | 204151 | 4.1 |

Source: University Grants Commission, Report for the Year 1980-81 and 1984-85.

enrolment which reached a figure of 1.75 lacs in

1980-81, 1.95 lacs in 1981-82 and 1.98 lacs in 1982-83. The highest percentage increase over the preceding year in the enrolment was recorded in 1981-82 being 11.7 percent. It again declined by 1.2 percentage point during 1983-84 to make a marked increase of 4.1 percent during 1984-85 which recorded 2.04 lacs students' enrolment in higher educational institutions in the state. The average annual compound growth rate during the period 1976-77 and 1980-81 w as recorded to be 0.9 percent as against an all India figure of 3.1 percent. Similarly during the period 1980-81 and 1984-85, it was 4.0 percent in the state compared to the all India figure of 6.5 percent.

As far as the number of collegiate institutions is concerned, it also shows more or less the same trend. The exact position is clear from Table 4.2 below. In 1976-77, the number of colleges in Gujarat state was 279, which decreased to 274 in 1977-78. After 1980-81, it had continuously increased reaching to 288 in 1984-85. As far as the number of affiliated colleges of Arts, Science and Commerce is corncerned it has also not shown any significant changes remaining 190 in 1976-77 and 193 in 1984-85. One thing which is obviously clear from the table is that the number of affiliated colleges of Arts, Science and Commerce had been roughly two-third of the total number of the colleges in each year.

Table 4.2

GROWTH OF COLLEGIATE INSTITUTIONS IN GUJARAT DURING 1976-77 & 1984-85

| Year | Number of colleges UC + AC | Number of AC(Arts, Science and Commerce only ). |
|---|---|---|
| 1976-77 | 279 | 190 |
| 1977-78 | 274 | 186 |
| 1978-79 | 275 | 186 |
| 1979-80 | 272 | 183 |
| 1980-81 | 271 | 183 |
| 1981-82 | 279 | 188 |
| 1982-83 | 283 | 190 |
| 1983-84 | 285 | 191 |
| 1984-85 | 288 | 193 |

Source : University Grants Commission, Reports for the year 1980-81 and 1984-85

UC = University Colleges AC= Affiliated Colleges

The position in engineering and technical education is quite satisfactory in the state in comparison to collegiate institutions of general education as discussed above. There has been some upward trend and increase in the number of institutions of engineering and technology. The situation is evidently clear from Table 4.3 below. There were five colleges of engineering and technology of degree and post graduate stage and 14 institutes of polytechnics

of diploma or post diploma stage in the year 1960-61. In 1970-71, both types of institutions increased by three in each category. During 1975-76 only the later category of institutions increased to 20. During 1981-82 and 1982-83, the number of colleges of engineering and technology had been the same, whereas for polytechnic institutes the numbers were 21 and 24 in 1981-82 and 1982-83 respectively. the next two years had seen a large expansion in technical education inthe statewhereby polytechnic institutes

Table 4.3

INSTITUTIONS FOR TECHNICAL EDUCATION IN GUJARAT

| Year | Engineering Colleges Technology Institutes (Degree & Post-Graduate) | Polytechnics/ Diploma or Post Diploma Institutes. |
|---|---|---|
| 1960-61 | 5 | 14 |
| 1970-71 | 8 | 17 |
| 1975-76 | 8 | 20 |
| 1981-82 | 9 | 21 |
| 1982-83 | 9 | 24 |
| 1983-84 | 10 | 27 |
| 1984-85 | 13 | 30 |

Source : Statistical Outline of Gujarat, Government of Gujarat, various issues of recent years.

increased from 27 in 1983-84 to 30 in 1984-85 and engineering and technology institutions increased from

10 to 13 during these years.

The sanctioned seats in all the technical institutions showed an increase from 1069 and 1635 at degree and diploma levels respectively in 1960-61 to 2213 and 3915 for each level during 1979-80. During 1982-83 these numbers were 2569 and 5581 respectively for both levels to rise again to 2888 and 6061 during 1984-85. The growth in the number of sanctioned seats in all technical institutions in the state is shown in Table 4.4 below. It is,thus,evident from the analysis of the

Table 4.4

SANCTIONED SEATS IN THE TECHNICAL INSTITUTIONS IN GUJARAT

| Year | Degree Level | Diploma Level |
|---|---|---|
| 1960-61 | 1069 | 1635 |
| 1978-79 | 2046 | 3455 |
| 1979-80 | 2213 | 3915 |
| 1980-81 | 2339 | 4549 |
| 1981-82 | 2349 | 4816 |
| 1982-83 | 2569 | 5581 |
| 1983-84 | 2738 | 5816 |
| 1984-85 | 2888 | 6061 |

Source : Statistical Outline of Gujarat, Government of Gujarat, various issues of recent years.

table that there has been considerable expansion in case

of technical education institutions in the state.

There are 10 universities in the state. The oldest of them is M.S. University, Baroda, established in 1949. Gujarat University was set up in 1950 to be followed by Sardar Patel University in 1955. The year 1965 saw the establishment of two more universities— South Gujarat and Saurashtra. The state has an Ayurvedic University— Gujarat Ayurveda, established in 1968. Gujarat Agricultural University was set up in 1972 to be followed by the establishment of Bhavnagar University in 1978. Two more universities, namely, Gujarat Vidyapith, Ahmadabad and North Gujarat University have been recently setup.[2]

Number of Teachers in Higher Education :

There has been a continuous rise in the number of teachers engaged in higher educational institutions in the state. In 1960-61, it was 2947. There were 7415 teachers in 1977-78 which rose to 7751 during 1978-79. In the year 1979-80, the number of teachers was recorded to be 7833 which climbed upto 8861 during 1980-81. 1981-82 had 9090 teachers in the higher education institutions showing, as usual, the upward trend to reach 9653 during 1982-83. And finally, 10000 teachers were

---

2. University Grants Commission, Report for 1984-85

on the pay-rolls of the higher education institutions.[3] The trend in the growth of number of teachers shows that the state had experienced a continuous increase in the number of new teachers inducted every year in these institutions to cater to the expanding needs of higher educational facilities.

OUTLAYS AND EXPENDITURE :

In Gujarat, the total expenditure on education (revenue account) during 1968-69 was Rs. 3,32,486 thousands constituting 20.3 percent of the total revenue budget of the state government. In 1978-79 the total expenditure on education was Rs. 15,87,463 thousands accounting for 27.6 percent of the total revenue budget. If we look at Table 4.5 below, we shall find a continuous increase in the total expenditure on education in the state.

From 1968-69 to 1978-79, it has increased many folds. However, the highest proportion of expenditure on total education was allocated during 1976-77 which accounted for 33.2 percent of total revenue budget of the government of Gujarat followed by 29.5 percent in 1977-78 and 27.6 percent in 1978-79. After that the proportion of total expenditure on education as percentage of total

---

3. The sources of data are 'Statistical Outline of Gujarat' Government of Gujarat, Gandhinagar, recent issues of 1980, 1982, 1983 and 1985.

revenue budget in the state has shown a declining trend, reaching 24.4 percent in 1981-82.

Table 4.5

TOTAL BUDGETED EXPENDITURE ON EDUCATION BY EDUCATION AND OTHER DEPARTMENTS ( REVENUE ACCOUNTS) IN GUJARAT.

(Rupees in thousands)

| Year | | Total Expenditure on Education | %age of Educational Expenditure to total revenue budget |
|---|---|---|---|
| 1968-69 | | 332486 | 20.3 |
| 1969-70 | | 392494 | 19.7 |
| 1970-71 | | 471108 | 21.5 |
| 1971-72 | | 533490 | 23.6 |
| 1972-73 | | 596704 | 18.7 |
| 1973-74 | | 617870 | 18.4 |
| 1974-75 | | 821115 | 23.4 |
| 1975-76 | | 986673 | 25.9 |
| 1976-77 | | 1587142 | 33.2 |
| 1977-78 | R.E. | 1525618 | 29.5 |
| 1978-79 | B.E. | 1587463 | 27.6 |
| 1979-80 | | - | 26.0 |
| 1980-81 | R.E. | - | 24.5 |
| 1981-82 | B.E. | - | 24.4 |

R.E. = Revised Estimate B.E.= Budget Estimate

Source : (a) Trends of Expenditure on Education (1968-69 to 1978-79) M/O. Education, Govt. of India.
(b) A Handbook of Educational and Allied Statistics, M/O. Education, Govt. of India,1983.

SOURCES OF INCOME :

The percentage contribution fron various sources to the recurring and non-recurring income of the universities and colleges in Gujarat state is dicussed below:

(a) Universities :

It would be useful to tabulate the various sources of income of state universities as shown below.

Table 4.6

SOURCES OF INCOME PER STUDENT IN UNIVERSITIES OF GUJARAT FOR 1976-77

| Source | Per Student income (Rs.) | Percentage to total |
|---|---|---|
| (i) Recurring | | |
| Central Government | 55 | 2.8 |
| U.G.C. | 135 | 6.9 |
| State Government | 944 | 48.6 |
| Local Boards | 1 | - |
| Fees | 732 | 37.7 |
| Endowments | 8 | 0.4 |
| Other sources | 68 | 3.6 |
| Total | 1943 | 100.0 |
| (ii) Non-Recurring | | |
| Central Government | - | - |
| U.G.C. | 277 | 62.5 |
| State Government | 152 | 34.3 |
| Other Sources | 14 | 3.2 |
| Total | 443 | 100.0 |

Sources : Unpublished records of the Association of Indian Universities as quoted by Azad, J.L. : Financing of Higher Education in Indian States, NIEPA (Mineo), New Delhi,1985,p.72

As for the recurring expenditure, it is obvious from the above table that the major contribution comes from the state government and fees, being respectively 48.6 percent and 37.7 percent to total income from various

sources. The U.G.C. has not contributed significantly; private sources and endowments are also negligible. The non-recurring income of the state universities per student comes mainly from the U.G.C. which is almost double the contribution from state government.

(b) Colleges :

The source wise proportionate contribution to the income of the colleges of general and technical education may be better analysed by interpretations of J.L. Azad. Based on data relating to income of the colleges, he notes the following points :[4]

1. There has been substantital increase in the proportionate contribution from the state government to the income of private general education colleges; from about 23 percent of the total recurring income in 1976-77, the state government has contributed about 57 percent in 1980-81.

2. In the case of government colleges for general education, the proportionate government contribution declined from 76.55 percent in 1976-77 to 62.05 in 1980-81.

3. In case of colleges of technical education, the state government's contribution stood at 90.5 percent in 1980-81 against about 81 percent for colleges under private management.

---

4. Azad, J.L. : Financing of Higher Education in Indian States, NIEPA (Mineo), New Delhi, 1985, pp.73-75.

4. The U.G.C.'s contribution has been minimal for all types of collegiate institutions.

5. The proportion contribution from tuition fees has also been on the decline over the years.

6. It is significant to note that except for private colleges of general education, to which private philanthropy has made some contributions to the recurring and non-recurring income, there has been no instance of private philanthropy coming forward to make any contribution to the recurring income of the collegiate institutions.

The foregoing discussion based on figures and facts relating to enrolment and institutions, number of teachers, outlays and expenditure on education as a whole, sources of income of colleges and universities, etc., gives testimony to the situations prevailing in the tertiary sector of education in Gujarat state. In fact, these aspects are relevant to understanding the problems related to education in general and higher education in particular in the state. They give broad perspective and general background of development and expansion of higher education facilities which have been made as an infrastructure of the development of state economy. They might also give some key indications of the state being one of the most industrially advanced states of the country. They also bear some socio-economic and political implications which have emerged in the state after the country attained freedom.

GRANTS-IN-AID TO UNIVERSITY AND OTHER HIGHER EDUCATION IN THE STATE :

At the outset it should be borne in mind that development grants are generally plan expenditure and maintenance grants come under non-plan expenditure. Let us make an assumption that all components of non-recurring nature coming under development grants are plan expenditure and, similarly, all components of recurring nature coming under maintenance grants are non-plan expenditure. Though this assumption may have some restrictive implications, but for simplicity, plan and non-plan budgeted expenditures on revenue account shall be analysed in terms of development and maintenance grants respectively for understanding the extent of assistance extended to higher educational institutions in the forms of grants-in-aid.

Maintenance Grants :

To University and other higher education the maintenance grants given by the state government of Gujrat have increased 21 times during 1968-69 and 1984-85, indicating that there has been an enormous increase in expenditure on the tertiary sector of education. In 1968-69, maintenance grant of Rs. 15117 thousands, constituting 81.7 percent of the total grants, was extended to higher education. It grew to Rs. 38659 thousands in 1972-73 which accounted for about 75 percent of total.

Table 4.7

GRANTS-IN-AID TO UNIVERSITY AND OTHER HIGHER EDUCATION IN GUJARAT DURING 1968-69 and 1984-85

PERCENTAGE OF MAINTENANCE AND DEVELOPMENT GRANTS TO TOTAL GRANTS CALCULATED FROM THE ABSOLUTE FIGURES.

(Rupees in thousands)

| Year | Maintenance grants | Development grants | Total | %age to total expenditure of Edn. Deptt. | Maintenance grants | Development grants | Total |
|---|---|---|---|---|---|---|---|
| 1968-69 | 15117 | 3396 | 18513 | 5.8 | 81.7 | 18.3 | 100.0 |
| 1969-70 | 21011 | 3785 | 24796 | 6.8 | 84.7 | 15.3 | 100.0 |
| 1970-71 | 28054 | 7567 | 35621 | 8.4 | 78.8 | 21.2 | 100.0 |
| 1971-72 | 36150 | 4762 | 40912 | 8.0 | 88.4 | 11.6 | 100.0 |
| 1972-73 | 38659 | 12975 | 51634 | 9.0 | 74.9 | 25.1 | 100.0 |
| 1973-74 | 27831 | 12469 | 40300 | 6.8 | 69.1 | 30.9 | 100.0 |
| 1974-75 | 53176 | 1567 | 54743 | 7.3 | 97.1 | 2.9 | 100.0 |
| 1975-76 | 63690 | 2960 | 66650 | 7.5 | 95.6 | 4.4 | 100.0 |
| 1976-77 | 81521 | 2200 | 83721 | 6.0 | 97.4 | 2.6 | 100.0 |
| 1977-78 (R.E.) | 88105 | 4500 | 92605 | 7.2 | 95.1 | 4.9 | 100.0 |
| 1978-79 (B.E.) | 100935 | 4001 | 104936 | 7.9 | 96.2 | 3.8 | 100.0 |
| 1981-82 | 197955 | 8270 | 206225 | 10.5 | 96.0 | 4.0 | 100.0 |
| 1982-83 | 234285 | 11229 | 245514 | 9.8 | 95.4 | 4.6 | 100.0 |
| 1983-84 (R.E.) | 281908 | 10343 | 292251 | 9.8 | 96.5 | 3.5 | 100.0 |
| 1984-85 (B.E.) | 311710 | 5996 | 317706 | 10.8 | 98.1 | 1.9 | 100.0 |

R.E. = Revised Estimate
B.E. = Budget Estimate

Sources : (1) Trends of Expenditure on Education 1968-69—1978-79, M/O.Education and Culture, Govt. of India.
(2) Analysis of Budgeted Expenditure on Education, 1984 and 1985, M/O. Education, Govt. of India.

total. The minimum of maintenance grants was allocated in 1973-74 which was Rs. 27831 thousands constituting 69 percent of total. In all the subsequent years after this, contribution towards maintenance grants has been above 90 percent. In 1974-75, Rs. 53176 thousands were allocated accounting for 97 percent. It has increased to Rs. 100935 thousands in 1978-79 which further shot up to Rs. 234285 th, ousands in 1982-83. During the last year Rs. 311710 thousands were allocated for maintenance purposes which accounted for the 98 percent of the total grants. The detials of grants and their percentage distribution have been shown in Table 4.7. The Table shows the extent of dependence of higher education institutions upon the state government for maintenance grants always [illegible] claiming a larger chunk of expenditure incurred by the government.

If we compare the total grants-in-aid extended to university and other higher education over the years as well as their percentage to total expenditure of education department, we find a very interesting and liberal picture of financing in the state. There has been a 17 fold increase in the grants from 1968-69 to 1984-85 which manifests the liberal policy of state funding of higher education. The absolute figure for the year 1968-69 was Rs. 18513 thousands, which accounted for 5.8 percent of total expenditure of education department. In subsequent years till 1972-73, there had been a continuous rise in the total expenditure

on higher education reaching Rs. 51634 thousands in that year which claimed 9 percent of total expenditure of education department.In 1973-74, it suddenly declined to Rs. 40300 thousands accounting for 6.8 percent. After maintaining a steady rise in the next two years, the percentage again declined to barely 6 percent in 1976-77, though the absolute figures, which claimed Rs. 83721 thousands, was not less than previous years. Since 1977-78, the total grants started rising. The year 1981-82 saw the allocation to the tune of Rs. 206225 thousands constituting 10.5 percent to total expenditure of education department. For the next two years, the percentage share had been same at 9.8 points. In 1984-85 budget estimate, the total grants allocated was Rs. 317706 thousands which was the highest figure during the period under review accounting also for the highest percentage of 10.8. From the foregoing analysis, it is clear that as far as total grants of maintenance and development are concerned, the state government has been very liberal and enthusiastic in financing higher education in Gujarat.

Development Grants :

The figures in absolute value for development grants show an erratic trend over the period under review. In 1968-69, development grant was given to the tune of Rs. 3396 thousands accounting for 18.3 percent of the total. During 1970-71, it was Rs. 7567 thousands constitu-

ting 21.2 percent to fall to Rs. 4762 thousands in the next year. The next two years saw the highest allocation of grants being Rs. 12975 thousands in 1972-73 and Rs. 12469 thousands accounting for 25.1 percent and 30.9 percent respectively. The detailed position is shown in Table 4.7 which makes amply clear that the share of development grants has always been very meagre and less than the maintenance grants. From 1974-75 onwards, the annual average percentage of development grants seems to be around 4 points. Though absolute figure might suggest some increments in the grants but its relative share was very less. During 1982-83 and 1983-84, Rs. 11229 thousands and Rs. 10343 thousands were allocated for development purposes which accounted for 4.6 percent and 3.5 percent respectively.

The distribution of absolute as well as percentage of development grants as shown in Table 4.7 manifests clearly that development grants have been dwindling in the later years of our study period. It seems that universities and other higher education institutions in Gujarat depend more heavily than the state government on some other resources like U.G.C., I.C.S.S.R.,etc., for their development expenditure as these central agencies are statutorily entitled to give grants to state universities also for their development purposes.

Grants for Higher Education in Gujarat by Sub-Heads :

Our discussion and analysis of state grants would become a little more sharp if we consider the break-up of grants by some major sub-heads of higher education. For this purpose, grants given by the state government are presented in Table 4.8 below for two years

Table 4.8

GRANTS FOR HIGHER EDUCATION BY SUB-HEADS IN GUJARAT

(Rs. in thousands

| Sub-Heads | Maintenance grants | Development grants | Total | %age to total Exp. on Univ. Education |
|---|---|---|---|---|
| Assistance to Universities for non-technical Education | | | | |
| 1983-84 B.E. | 80000 | 8710 | 88710 | 33.9 |
| 1984-85 B.E. | 90000 | 4951 | 94951 | 29.9 |
| Government Colleges | | | | |
| 1983-84 B.E. | 18190 | 800 | 18990 | 7.3 |
| 1984-85 B.E. | 21200 | 700 | 21900 | 6.9 |
| Assistance to non-government Colleges | | | | |
| 1983-84 B.E. | 153000 | 328 | 153328 | 58.6 |
| 1984-85 B.E. | 200000 | 195 | 200195 | 63.0 |

Source : Analysis of Budget Expenditure on Education, M/O Education, Govt. of India for 1984 and 1985.

just to have a roundabout idea of extent of financing of

of higher education by some major sub-heads.

The analysis of the above table reveals that maintenance grants to universities for non-technical education was Rs. 80000 thousands in 1983-84 budget estimates which was raised to Rs. 90000 thousands during 1984-85 budget estimates. The development grants was given to the tune of Rs. 8710 thousands in 1983-84 which decreased to Rs. 4951 thousands. The percentage of grants to universities for non-technical education was 33.9 out of the total expenditure on university education in 1983-84 which declined to 29.9 percent in 1984-85.

The maintenance and development grants to government colleges were Rs. 18190 thousands and Rs. 800 thousands respectively in 1983-84 which accounted for 7.3 percent of total expenditure on univerity education. The maintenance grant was raised to Rs. 21200 thousands in 1984-85 while development grants declined to Rs. 700 thousands. The total of these two, Rs. 21900 thousands account for 6.9 percent of total expendure showing a slight fallin share of government colleges.

As far as assistance to non-government colleges is concerned, they have accounted for well over fifty percent, of total expenditure on University education. In 1983-84, maintenance and development grants were Rs. 15,3000 thousands and Rs. 328 thousands respectively totalling to Rs. 153328 which constituted

for 58.6 percent of total budgeted expenditure. Similarly, the 1984-85 budgeted expenditure indicates that maintenance grant has increased to Rs. 200000 thousands while development grant has declined to Rs. 195 thousands. The total of maintenance and development grants accounted for 63 percent of total expenditure on university education in Gujarat state. The interpretation of Table 4.8 makes it amply clear that the largest share of government grants is claimed by non-government colleges. Assistance to non-technical universities comes at the second place. The third place is attributed to government colleges indicating that their number in the state is very few in comparision to non-government colleges.

GRANTS-IN-AID TO TECHNICAL EDUCATION:

The total grant to technical education institutions has increased from Rs. 13796 thousands in 1968-69 to Rs. 108305 thousands in 1984-85 registering roughly eight fold increase. The absolute figure referring to Table 4.9 for total grants has been continuously rising throughout the period under study except for the year 1971-72 which saw an allocation of Rs. 7221 thousands the percentage of which to total expenditure of education department was, however, not bad. It was 3.6 percent. It implies that the year 1971-72 had been an abnormal year because of Indo-Pak war and some

Table 4.9

GRANTS-IN-AID TO TECHNICAL EDUCATION IN GUJARAT DURING 1968-69 & 1984-85

| Year | (Rs. in thousands) Maintenance Grants | Development Grants | Total | %age to total exp. of Edu. Deptt. | Percentages of Maintenance and Development grants to Total Grants calculated from absolute figures. Maintenance Grants | Development Grants | Total |
|---|---|---|---|---|---|---|---|
| 1968-69 | 10417 | 3379 | 13796 | 4.4 | 75.5 | 24.5 | 100.0 |
| 1969-70 | 13439 | 1238 | 14677 | 4.0 | 91.6 | 8.4 | 100.0 |
| 1970-71 | 14061 | 1904 | 15965 | 3.8 | 88.1 | 11.9 | 100.0 |
| 1971-72 | 3475 | 3746 | 7221 | 3.6 | 48.1 | 51.9 | 100.0 |
| 1972-73 | 15811 | 3718 | 19529 | 3.4 | 80.7 | 19.3 | 100.0 |
| 1973-74 | 16792 | 4170 | 20962 | 3.5 | 80.1 | 19.9 | 100.0 |
| 1974-75 | 22507 | 1947 | 24454 | 3.3 | 92.0 | 8.0 | 100.0 |
| 1975-76 | 25474 | 2691 | 28165 | 3.2 | 93.4 | 6.6 | 100.0 |
| 1976-77 | 35052 | 4110 | 39162 | 2.8 | 89.5 | 10.5 | 100.0 |
| 1977-78 (R.E.) | 32287 | 4714 | 37001 | 2.9 | 87.3 | 12.7 | 100.0 |
| 1978-79 (B.E.) | 33285 | 6635 | 39920 | 3.0 | 83.4 | 16.6 | 100.0 |
| 1981-82 | 54600 | 8012 | 62612 | 3.2 | 87.2 | 12.8 | 100.0 |
| 1982-83 | 62912 | 13553 | 76465 | 3.0 | 82.3 | 17.7 | 100.0 |
| 1983-84 (R.E.) | 75180 | 18564 | 93744 | 3.1 | 80.2 | 19.8 | 100.0 |
| 1984-85 (B.E.) | 75815 | 32490 | 108305 | 3.7 | 70.0 | 30.0 | 100.0 |

R.E. = Revised Estimate
B.E. = Budget Estimate
Sources : 1. Trends of Expenditure on Education 1968-69—1978-79, Ministry of Education and Culture, Government of India,N
2. Analysis of Budgeted Expenditure on Education, 1984/and 1985, Ministry of Education, Government of India.

depressing socio-economic conditions prevailing at that time. In 1975-76, Rs. 28165 thousands were allocated as grants comprising 3.2 percent of total expenditure of education department. During 1981-82, Rs. 62612 thousands were given as grants which rose to Rs. 93744 thousands during 1983-84. If we look at the percentage distribution of total grants to total expenditure of education department in the state, we find that it has been on an average 3.5 percent throughout the period. This is lower than the average percentage of university and other higher education as shown in Table 4.7. But, if we are able to calculate per institution grants to technical education and university and other higher education, then the picture will be quite reverse because technical education is always given a preferential treatment in allocating grants.

Maintenance Grants :

The maintenance grants to technical education in Gujrat have registered a seven fold increase during the period under review. The details of allocation of grants are presented in Table 4.9. They reveal a continuous increase in extending grants except for the year 1971-72 for similar reasons as noted previously, which accounted for Rs. 3475 thousands. In 1975-76, Rs. 25474 thousands were given as maintenance grants which rose to Rs. 54600 thousands in 1981-82. During

1982-83, an amount of Rs. 62912 thousands were allocated to rise again to Rs. 75180 thousands in 1983-84. The highest amount was allocated in 1984-85 being Rs. 75815 thousands. This shows that there has been a continuous increase in maintenance grants by the state government.

If we have a look at the percentage distribution of maintenance and development grants the above table reveal that maintenance grants have always been more than development grants save the abnormal year 1971-72. It has ranged from 70 percent in 1984-85 to 93.4 percent in 1975-76 disregarding the abnormal year.

Development Grants :

The development grants to technical education institutions in the state of Gujarat have shown a ten fold increase during the period under reveiw. From 1968-69 till 1973-74, they have registered an erratic trend, being some times more and sometimes less. From 1974-75 onwards, they have marked a continuous increase. In that year Rs. 1947 thousands were allocated for development purposes which rose to Rs. 6635 in 1978-79. During 1982-83, the allocation was made to the tune of Rs. 13553 thousands which was increased to the highest of the period being Rs. 32490 thousands in 1984-85.

The percentage of development grants to total grants for technical education shows a better position than for university and other higher education institutions. For technical education it ranges from minimum 8 percent

in 1974-75 to maximum 30 percent in 1984-85 whereas for university and other higher education it has been from 1.9 percent in 1984-85 to 3.9 percentin 1973-74. The analysis reveals that technical education institutions for the nature of courses they are imparting, need more development grants than general education institutions.

Grants for Technical Education in Gujarat By Sub-Heads :

Our analysis of grants-in-aid would come into a sharper focus if we look at Table 4.10 which gives the details of grants by some major sub-heads of technical education institutions in the state. The data for two years relating to polytechnic schools for arts and crafts and engineering and technical institutions are presented in the table.

Table 4.10
GRANTS FOR TECHNICAL EDUCATION IN GUJARAT BY SUB-HEADS :

(Rs. in thousands)

| Sub-Heads | Maintenance Grants | Development Grants | Total | %age to total Exp. on Tech.Edn. |
|---|---|---|---|---|
| Polytechnic Schools for Arts and Crafts | | | | |
| 1983-84 B.E. | 31590 | 5929 | 37519 | 46.7 |
| 1984-85 B.E. | 36875 | 13020 | 49895 | 46.1 |
| Engineering and Technical Institutions | | | | |
| 1983-84 B.E. | 21311 | 2965 | 24276 | 30.2 |
| 1984-85 B.E. | 25110 | 10240 | 35350 | 32.6 |

Source : Analysis of Budgeted Expenditure on Education, M/O Education, Govt. of India for 1984 and 1985.

Out of the total expenditure on technical education in 1983-84 budget estimate, the total grants to polytechnic schools for arts and crafts accounted for 46.7 percent claiming Rs. 37519 thousands. The maintenance and development grants out of this total were Rs. 31590 thousan and Rs. 5929 thousands respectively which revealthat the former is five times the latter. In the case of 1984-85 budget estimates, the total grants has slightly declined in proportion accounting for 46.1 percent of total budgeted expenditure on technical education, though the absolute figure of Rs. 49895 thousands shows a substantial increase in grants. In this year the maintenance grant was Rs. 36875 thousands and development grant accounted for Rs. 13020 thousands, which are quite higher than the amounts allocated during 1983-84.

For engineering and technical education, the total grant has increased from Rs. 24276 thousands in 1983-84 budget estimate to Rs. 35350 thousands in 1984-85 budget claiming 30.2 percent and still higher 32.6 percent of total expenditure on technical education respectively during these years. The maintenance grant was Rs. 21311 thousands in the previous year which rose to Rs. 25110 thousands in the next year registering an increase of Rs. 3799 thousands. The development grant was budgeted at Rs. 2965 thousands in 1983-84 which increased by roughly about three times to Rs. 10240 thousands in 1984-85 budget estimate. Under both types of sub-heads the development grants have shown a faster increase than

maintenance grants during the two years.

During the years 1979-80, the non-government institutions included 4 engineering colleges, 3 polytechnics and 63 technical institutes in Gujarat state. The total grant-in-aid paid to them was Rs. 10061129 in 1979-80, out of which the major share was claimed by seven big engineering and polytechnic institutions, the details of which are as follows :[5]

| Name of the institution | Amount of grant Sanctioned (Rs) |
|---|---|
| **Engineering Colleges** | |
| 1. Birla Vishwakarma Mahavidhyalaya, Vallabh, Vidhyanagar | 35,29,506 |
| 2. School of Architecture, Ahmadabad | 6,25,000 |
| 3. S.V. Regional College of Engineering and Technology, Surat | 24,17,000 |
| 4. D.D. Institute of Technology, Nadiad (Degree) | 4,90,000 |
| **Polytechnics** | |
| 1. B. and B. Polytechnic, Vallabh, Vidhyanagar | 9,70,000 |
| 2. T.F. Gandhidham Polytechnic, Alipur (Kachchh) | 6,65,000 |
| 3. D.D. Institute of Technology, Nadiad (Diploma) | 2,00,000 |

The above data shows the extent of grants-in-aid to the big, popular and well known institutions and the preferential treatment given to them in matters of financing

5. Annual Administration Report, 1979- 80 , Directorate of Technical Education. Govt. of Gujarat pp. 78-80

in the state.

Methods of Calculating Grants in Universities of Gujarat :

It will be interesting to discuss the method of calculating grants to state universities in India for it also pertains to our central objective of this study. Different methods are followed by different states in India for giving grants to their universities. Broadly, universities are given grants on the following basis : (i) Deficits, (ii) The basis of the previous years' grants (usually with a percentage increase) and (iii) purely ad-hoc.[6]

In Gujarat state, there are four universities, i.e., Bhavnagar, Gujarat, Saurashtra and Gujarat Vidyapith, which are extended grants on deficit basis. The state government applies almost a uniform method, with slight variations, for arriving at the deficit for above mentioned universities. The method for each is discussed below :

Bhavnagar University :

The university authorities have to take prior sanction for all the teaching and administrative posts including clerks, peons and chowkidars from the state government. For calculating the deficit, the annual expenditure on admissible items is estimated and the income of the university is subtracted from this amount. For the

---

6. Mridula : State Funding of Universities, Association of Indian Universities, New Delhi, 1985, p.29.

balance amount, the grant is sanctioned by the state government. This method has been followed since the establishment of the university in 1978.

Gujarat University :

The grant is fixed for a three year period. For the purpose of calculating deficits, the admissible expenditure and income of the base year,i.e., the last year of the preceding triennial are taken into consideration. This formula has been in vogue since 1963. Prior to 1963, the block grants to this university were given according to Bombay State government rules,i.e. on an ad-hoc basis by considering an increase of 6 percent over the preceding year.

Gujarat Vidyapith :

It is deemed to be university, so the grants are given according to University Grants Commission rules

Saurashtra University :

The actual expenditure of a particular quarter of the preceding year, the estimated expenditure for the quarter for which the grant is demanded, and availability of funds with government are taken into consideration while arriving at the deficit grants. The decision of the admissible and non-admissible items depends on bureaucratic interpretation causing financial uncertainty.[7]

---

7. Ibid.,pp.31-33

The following universities receive grants on the basis of approved items, the formula for which is given below :

M.S. University of Baroda :

The grant is fixed for a block of three years only on the expenditure on items held admissible.

Sardar Patel University :

Grant is fixed for 3 years. On the basis of actual expenditure reached during the year preceding the triennium some additional grant is also paid.[8]

To have an idea of method and formula for calculating the grants in the state for the universities is very essential because they have an enormous impact upon the university education. They tell about the attitudes of state government, education department and bureaucracy towards financing of higher education.

In this chapter, we have discussed various aspects of higher education in Gujarat state. Allocation of grants-in-aid to higher educational institutions has been analysed in detail by giving first a general background and interpreting the relevant data on grants over the years. Separate discussions have been made for general and technical education. Grants to institutions by sub-heads have been briefly touched upon; and in the end

---

8.Ibid.,p.57.

method and formula of calculating grants have been given for some universities of the state as an ex ample. Thus, going through the whole chapter provides a lot of informations pertaining to grant-in-aid system in the state of Gujarat which has emerged after independence.

# C H A P T E R - V

# STATE GRANTS FOR HIGHER EDUCATION IN UTTER PRADESH

After 1947 higher education has been expanding at a very fast rate in Uttar Pradesh. The state has played a major role for expansion and development of higher education facilities in a big way. In the beginning, there was only one directorate of education which was responsible for all types of educational institutions in matters of their planned development and maintenance, But due to continuous increase in importance of higher education, the state government established a separate Directorate of Higher Education in 1972 at Allahabad. For a proper planning and management of higher education, it was decided to e set up regional offices in 1980-81 and consequently an information and development cell was opened in the Directorate of Higher Education in the state.

This chapter will be concerned mainly with the study of grant-in-aid to higher educational institutions in Uttar Pradesh. Growth in number of enrolment and institutions, number of teachers involved in these institutions and expenditure patterns on education as a whole in the state will be dealt within a retrospective manner. Method and formula for calculating grants for some

individual universities in the state will be touched upon briefly fc example to have an idea of pattern and procedure of giving grants. A major portion of this present chapter will be devoted to the analysis of grants-in-aid based on data for recent years. In a way it will cover various dimensions of higher education in the state which are essential for having a comprehensive study of grants-in-aid in a particular state.

ENROLMENT AND INSTITUTIONS :

Uttar Pradesh has got a long history of higher education. The roots of higher education date back to the establishment of the University of Allahabad in 1887 which has the pride of being oldest university in the state. Banaras Hindu University was established in 1916 followed by the Aligarh Muslim University in 1921. After six years, in 1927, Agra University was started.[1] Out of these universities Banaras and Aligarh have the privilege of being Central universities, the responsibility of maintenance and development of which is vested with the central government. The state has the largest number of universities in the country, the number being 21 at present. Apart from these universities as mentioned above, the remaining were established after 1947.

1. 'Uttar Pradesh Mein Uchch Shiksha', Directorate of Higher Education, U.P., Allahabad, April 1982, p.3.

There are also reputed institutions of professional education in the state. The Roorkee Engineering University was established in 1949. It has also one agricultural university, namely, G.B. Pant University of Agriculture and Technology which was set up in 1960. The Indian Institute of Technology was also established at Kanpur by the central government as national institute of importance.

We shall now discuss the growth of enrolment in higher education institutions in the state. Table 5.1 below gives the details of enrolment from 1976-77 to 1984-85. There were, 362970 students in 1976-77 which rose to 403062 in 1977-78 registering an 11 percent increase over the preceding year. During 1978-79, the increase over the previous year was only 3.6 percent while the actual number of students was 417568. Throughout the period under review, there has been a continuous rise in enrolment of students in higher education in the state. except 1982-83, in which it slightly declined by 0.1 percent over the preceding year. During 1980-81 the enrolment was 445677 accounting for 3.3 percent increase over the preceding year. After a slight decline it increased to 470135 in 1983-84 constituting a 3.3 percent increase, However, in the year 1984-85, 478597 students were enrolled, increasing by 1.8 percent over the preceding year.

Table 5.1

GROWTH OF ENROLMENT (EXCLUDING P.U.C.) IN HIGHER EDUCATION IN UTTAR PRADESH DURING 1976-77 AND 1984-85

| Year | Enrolment | Percentage increase over the preceding year |
|---|---|---|
| 1976-77 | 362970 | - |
| 1977-78 | 403062 | 11.0 |
| 1978-79 | 417568 | 3.6 |
| 1979-80 | 431584 | 3.4 |
| 1980-81 | 445677 | 3.3 |
| 1981-82 | 455949 | 2.3 |
| 1982-83 | 455305 | - 0.1 |
| 1983-84 | 470135 | 3.3 |
| 1984-85 | 478597 | 1.8 |

| | | |
|---|---|---|
| Average annual compound growth rate during | | |
| 1976-77 and 1980-81 | for U.P. | 5.3% |
| | for all India | 3.1% |
| 1980-81 and 1984-85 | for U.P. | 1.8% |
| | for All India | 6.5% |

Source : University Grants Commission, Reports for the year 1980-81 and 1984-85.

The average annual compound growth rate of enrolment in the st te was 5.3 percent as against an All India figure of 3.1 percent during 1976-77 and 1980-81. However, the position was reverse during 1980-81 and 1984-85 which recorded the growth rate to

be 1.8 percent against the All India figure of 6.5 percent.

As far as the number of collegiate institutions is concerned, the positions seems satisfactory, considering smallness of the period of study. The growth of these institutions has been shown in Table 5.2 below

Table 5.2

GROWTH OF COLLEGIATE INSTITUTIONSIN UTTAR PRADESH DURING 1976-77 & 1984-85

| Year | Number of Colleges UC + AC | No. of AC(Arts, Science & Commerce only) |
|---|---|---|
| 1976-77 | 523 | 349 |
| 1977-78 | 522 | 349 |
| 1978-79 | 526 | 353 |
| 1979-80 | 540 | 367 |
| 1980-81 | 547 | 372 |
| 1981-82 | 548 | 376 |
| 1982-83 | 559 | 387 |
| 1983-84 | 561 | 390 |
| 1984-85 | 561 | 390 |

UC = University College
AC = Affiliated College

Source : University Grants Commission, Reports for 1980-81 and 1984-85.

There has been a continuous rise in the number of new institutions opened in the state except in 1977-78 during which it declined by one only. There were 523 university colleges and affiliated colleges

taken together. While in 1978-79, it increased by four new institutions. The year 1979-80 saw the highest number of new institutions being opened up, the number of which was 14. In 1980-81 the number of colleges (UC+AC) increased by 7 which again rose to 559 in 1982-83 by adding 11 new colleges. Out of the total nomber of colleges, more than 65 percent are affiliated colleges, for each year, of arts, science and commerce.

The time series data for for the number of affiliated colleges of arts, science and commerce only are presented in the third column of the above table. the number of these colleges has increased from 349 in 1976-77 to 372 in 1980-81 and again to 390 in 1983-84 and 1984-85. The increase in the total number of colleges is largely represented by increase in the affiliated colleges of arts, science and commerce.

As far as the technical education in U.P. is concerned, there were 23 polytechnic institutions, which increased to 38 in 1966. Till 1973 this number remained at 39. Between 1961 and 1966, the insrease was quite satisfactory. In other institutions like Industrial Training Institutes, Junior Technical Schools, growth rate had been quite high during 1961 and 1966.[2] Number of technical institutions for two more years alongwith sanctioned intake and actual admission is

---

2. The information is based on data in' Third All India Educational Survey—Technical and Vocational Education and Training in U.P.', Institute of Applied Manpower Research, New Delhi, 1975,p.15.

presented in Table 5.3 below which will furnish a little more informations about technical education in the state.

Table 5.3

NUMBER OF TECHNICAL INSTITUTIONS IN U.P., SANCTION INTAKE AND ACTUAL ADMISSIONS

| Year | Number of Institutions | Sanctioned Intake | Actual Admissions |
|---|---|---|---|
| DEGREE holder in technical education | | | |
| 1975 | 13 | 2150 | 1902 |
| 1979 | 14 | 2118 | 2035 |
| Undergraduate Engineering, Technology and Architecture (Common Polytechnics) | | | |
| 1975 | 42 | 7410 | 8292 |
| 1979 | 43 | 8106 | 7772 |
| Undergraduate Engineering, Technology and Architecture (Girls Polytechnics) | | | |
| 1975 | 3 | 280 | 223 |
| 1979 | 3 | 440 | 254 |

Sources : A Handbook of Educational and Allied Statistics, Ministry of Education and Culture, 1980 and 1983 issues.

In 1975, there were 13 institutions catering to degree level courses which increased to 14 in 1979. The sanctioned intake and actual admissions were 2150 and 1902 respectively in 1975 and 2118 and 2035 respectively in 1979.

The number of Institutions of Common Polytechnics imparting undergraduate courses was 42 in 1975 which increased by one in 1979. The sanctioned intake and actual admissions were7410 and 8292 respectively in 1975, and in 1979, these figures were 8106 and 7772 respectively. For girls' education the number of polytechnic instutions was three in both years. Whereas the sanctioned intake and actual admissions were 280 and 223 respectively in 1975 and 440 and 254 in 1979. It is revealed from the table that for degree level and girls' polytechnics, the number of sanctioned intake had been more than actual admissions which implies that government's attitude had been more favourable towards these types of technical educations.

Apart from the above institutions of technical education which have been major sources of qualified and skilled manpower in U.P., there were, in 1982-83,3 colleges of engineering and technology catering to the growing requirements by producing highly skilled and trained personnel for the state and country as a whole.[3]

Number of Teachers in Higher Education :

There has been a continuous increase in the number of teachers in higher educational institutions and higher rate of increase is observed after independence. For some recent years data are shown in Table 5.4. The rate of increase was observed to be highest during

3. 'Uttar Pradesh Ki Shiksha Sankhyiki', State Institute of Education, U.P., Allahabad and State Council of Educational Research and Training, Lucknow, 1986.

1960-61 and 1970-71 in both university teachers and college teachers being 82.3 percent and 140 percent respectively. The absolute figures for 1960-61 were 2248 and 3444 for university and college teachers respectively which went up to 4098 and 8266 in 1970-71. However, during

Table 5.4

NUMBER OF TEACHERS IN HIGHER EDUCATION IN U.P.

| Year | Universities | %age increase | Degree Colleges | %age increase |
|---|---|---|---|---|
| 1960-61 | 2248 | - | 3444 | - |
| 1970-71 | 4098 | 82.3 | 8266 | 140.0 |
| 1980-81 | 5980 | 45.9 | 12387 | 49.9 |
| 1984-85 | 6920 | 19.0 | 13169 | |
| 1981-82 | 5815 | - 2.8 | 12402 | 0.1 |
| 1984-85 | 6920 | 19.0 | 13169 | 6.2 |

Source : 'Shiksha Ki Pragati', 1984-85, Directorate of Education,U.P., Allahabad,p.79.

the decade 1970-71 and 1980-81, second highest increase was recorded to be 45.9 percent and 49.9 percent respectively for university and college teachers, the absolute figures for which were 5980 and 12387. There was a decline by 2.8 percent in university teachers and a very minimam and negligeble increase in college teachers during 1981-82. Number of teachers was recorded to be 6920 and 13169 for university and college respectively

during 1984-85 showing an increase of 19 percent and 6.2 percent.

To have a comparison of enrolment of students and number of teachers engaged in higher education in the state., Table 5.5 would prove to be revealing the fact

Table 5.5

TEACHER - STUDENT RATIO IN HIGHER EDUCATION IN UTTAR PRADESH

| Year | Teacher-student ratio |
|---|---|
| 1950-51 | 1:24 |
| 1960-61 | 1:20 |
| 1970-71 | 1:22 |
| 1980-81 | 1:29 |

Source: 'Uttar Pradesh Mein Uchcha Shiksha', Directorate of Higher Education, U.P., Allahabad, April 1982 p.19.

clearly. There seems to be not much observable difference in the ratios between teacher and student over the years, which have been 1:20 in 1960-61 and 1:29 in 1980-81. But according to the analysis of enrolment of students and number of teachers in higher education previously done, there has been a sizeable increase in both cases. Therefore, the fact to be noticed by looking at the teacher-student ratios is that there has been a simultaneous proportionate increase in both students' enrolment and number of teachers over the years in the state.

OUTLAYS AND EXPENDITURE :

The total educational expenditure, if we look at the total budgeted expenditure on revenue account, was as high as Rs. 3083606 thousands in 1978-79 and as

Table 5.6

TOTAL BUDGETED EXPENDITURE ON EDUCATION IN U.P. (REVENUE ACCOUNT) DURING 1968-69 AND 1981-82

(Rs. in thousands)

| Year | Total Expenditure | %age of Educational Expenditure to total Revenue Budget |
|---|---|---|
| 1968-69 | 649720 | 18.3 |
| 1969-70 | 788159 | 19.4 |
| 1970-71 | 821288 | 19.8 |
| 1971-72 | 1035585 | 20.1 |
| 1972-73 | 1188057 | 20.7 |
| 1973-74 | 1440870 | 22.6 |
| 1974-75 | 1996845 | 28.3 |
| 1975-76 | 2410008 | 29.8 |
| 1976-77 | 2463587 | 26.2 |
| 1977-78 R.E. | 2745716 | 26.2 |
| 1978-79 B.E. | 3083606 | 26.3 |
| 1979-80 | - | 23.3 |
| 1980-81 R.E. | - | 21.3 |
| 1981-82 B.E. | - | 21.8 |

R.E. = Revised Estimate

B.E. = Budget Estimate

Sources : 1.Trends of Expenditure on Education,1968-69—1978-79, Ministry of Education and Culture, Govt. of India and
2. Analysis of Budgeted Expenditure on Education 1981-82 to 1983-84, Min.of Edu.,Govt. of India,1984

low as Rs. 649720 thousands in 1968-69, depicting a 4.7 percent increase over the decade in the state of U.P.

Total Budgeted Expenditure on education and its percentage to total revenue budget are presented in detail in Table 5.6 above. If we glance at the table it reveals that the percentage of total expenditure on education to total budgeted revenue has been ranging from 18.3 percent in 1968-69 to 29.8 percent in 1975-76. The absolute figure for 1970-71 was Rs. 821288 thousands which accounted for 19.8 percent of total revenue budget. This figure later increased to Rs. 1188057 in 1972-73 which rose to Rs. 1996845 thousands in 1974-75 accounting for the second highest share of 28.3 percent in state's budgeted revenue expenditure. During 1976-77, Rs. 2463587 thousands were allocated to the education, increasing to Rs. 3083606 thousands in 1978-79 by claiming 26.2 percent and 26.3 percent of expenditure respectively in total revenue budget of the state government. The percentage showed a declining trend during the next two years which improved slightly in 1981-82 budget estimated by reaching 21.8 percentage point.

To have an idea of the relative importance of budget allocation of expenditure on various sectors of education in U.P., Table 5.7 details the information. The table gives the absolute figures as well as percentage of revenue expenditure on different types of education as a whole. The absolute figure for each type have increased substantially from 1979-80 to 1985-86. Primary education has registered an increase of

2.6 [illegible]times over the years, secondary education recorded

Table 5.7

REVENUE EXPENDITURE ON DIFFERENT TYPES OF EDUCATION IN U.P.

(Rs. in Lacs)

| | 1979-80 Actual | 1980-81 R.E. | 1981-82 B.E. | 1983-84 Actual | 1984-85 R.E. | 1985-86 B.E. |
|---|---|---|---|---|---|---|
| Primary Education | 12823 (46.7) | 16432 (51.0) | 17751 (51.0) | 26501 (47.2) | 33400 (50.3) | 33768 (49.2) |
| Secondary Education | 9850 (35.9) | 10074 (31.3) | 10909 (31.3) | 20080 (35.8) | 22157 (33.4) | 23758 (34.7) |
| Higher Education | 2913 (10.6) | 3362 (10.4) | 3511 (10.1) | 5472 ( 9.7) | 6202 (9.3) | 6126 (8.9) |
| Special Education | 426 (1.6) | 593 (1.9) | 787 (2.3) | 978 (1.7) | 1328 (2.0) | 1582 (2.3) |
| Others including Technical Education | 1428 (5.2) | 1741 (5.4) | 1848 (5.3) | 3127 (5.6) | 3347 (5.0) | 3354 (4.9) |
| Total | 27440 100.0 | 32202 100.0 | 34806 100.0 | 56158 100.0 | 66434 100.0 | 68588 100.0 |

Note : Bracketed figures show the percentage expenditure,
R.E. = Revised Estimate B.E. = Budget Estimate
Source: The Statistical Diary, Uttar Pradesh, State Planning Institute, Lucknow, 1981 and 1985 issues.

2.6 times over the period, secondary education recorded 2.4 times increase in its expenditure. Higher Education expenditure in 1985-86 was approximately double the amount allocated in 1979-80, while Special education showed 3.7 times increase which was the highest among various types of education. The expenditure on others including technical education shot up by 2.3 times. However the total educational expenditure recorded an increase by 2.5 times over the period

mentioned in the table.

Notwithstanding the increase in the absolute amount of expenditure on various types of education in the state, the percentage shares of revenue expenditure on each sector of education to total revenue expenditure on education as a whole have been slightly changing over the period under study. The percentage share for primary education ranges from 46.7 in 1979-80 to 51.0 in 1980-81 and 1981-82. For secondary education it has been between 31.3 in 1980-81 and 1981-82 and 35.9 in 1979-80. In higher education it has recorded a continuous decline over the years, the minimum for which being 8.9 percent in 1985-86 and maximum, 10.6 percent, in 1979-80. This implies that the importance of higher education relative to other sectors of education has been lowered over the period in the state. For special education the percentage has ranged between 1.6 and 2.3. It has been between 4.9 in 1985-86 and 5.6 in 1983-84.

As far as the relative importance for various types is concerned primary education has received the top priority for every year, second place being attributed to secondary education and higher education, which is tertiary sector, gets third place in priority list. Fourth rank goes to others

including technical education followed by special education at the last.

METHOD OF CALCULATING GRANTS-IN-AID IN UNIVERSITIES OF U.P. :

As discussed in the previous chapter, there are generally three considerations for giving grants to universities in India, namely -- deficits basis, the basis of the previous year's grants usually with a percentage increase and purely ad-hoc basis. Out of these three, first and third are considered for giving grants in U.P.

The discussion of calculating grants to universities in U.P. would give a fairly good idea of patterns and procedures, government's attitude and behaviour of the bureaucracy towards the policy of grants-in-aid. It will also held up in understanding various aspects related to them. Here the method of calculating maintenance grants will be discussed only because development grants are usually extended by UGC, ICAR, SUGC and various other funding agencies. Development grants do not figure in the regular budgets of the universities, given monthly on matching basis. Their proportion is very little in total grants as the state government's major responsiblity is to give maintenance grants to its universities.

There are some universities in the state which

receive maintenance grants on deficits basis. The methods of calculating deficit for the following three universities are given below as an example.[4]

University of Gorakhpur :

The University prepares its own budget and sends it to the government after taking into account the revenue of university from its own resources. The government, however, sanctions the deficit as per its own norms, which is much less than the amount envisaged in the university budgets.

Meerut University :

The grant is extended to it on the basis of the difference between the approved expenditure less the income.

University of Roorkee :

It prepares a detailed budget showing the estimated receipts and the item-wise requirements of funds for the next financial year. This budget is presented before a Finance Committee having as members, the Finance Secretary to the U.P. Government, the Technical Educationa Department and the Finance Department or their nominees. The budget is amended on the basis of recommendations of this committee. After the approval of the university syndicate, the budget is submitted to the government. Provisions for the net deficit— estimated expenditure less estimated

4. Mridula :State Funding of Universities-A Study of Maintenance Grants to Universities, Association of Indian Universities, New Delhi, 1985,p.39

receipts - are made in the government budget as the grants-in-aid to the university. This grants-in-aid money is released to the university in quarterly instalments during the year.

There is one University in the state, namely, Agra university, receiving grants on adhoc basis. The method of calculating ad-hoc grants is given here for this University.

Agra University :

The block grant for it was fixed by the state government keeping in view the new items of expenditure sanctioned, but it has not been revised since 1971. As a result the deficit has been accumulating. The present system of block/maintenance grants does not take into account the requirements of the institutes which are also constituent parts of the university.[5]

For the purpose of giving maintenance grants to collegiate institutions, the management of every college is asked by the state government for the disbursement of salaries to its teachers and employees to open in a scheduled commercial bank or a co-operative bank or post officr, a separate account called 'Salary Payment Account to be operated jointly by a representative of the management and by the Deputy Director or such other officer as may be authorised by him. From time to time,

---

5. Ibid.,p.49

the state government asks the management of the college to deposit in this account such portion of the amount received, from students as fees and also such portion, if any, of the income received from any property, movable and immovable belonging to or endowed wholly or partly for the benefit of the college.

The state government also pays into the Salary Payment Account such amount as maintenance grants which is necessary for making payments in such a manner that no money credited to this account shall be applied for any other purpose except the following, namely, (a) for payment of salary to the teachers and other employees of the college, (b) for crediting the management's contricution, if any, to the provident fund accounts of teachers and employees of the college concerned.[6]

So far we have discussed higher education in the state of U.P. by covering various aspects like institutions and enrolment, number of teachers, outlays and expenditure, and in the process, method of arriving at the grants in the universities of the state has been taken up. How the government gives grant to colleges has also received some mention in our discussion. They will help us in understanding the

---

6. The Uttar Pradesh Education Laws Amendment Act,1975 (Uttar Pradesh Act No.21 of 1975),U.P.Gazette, Extraordinary,May 3, 1975,p.11

grants-in-aid to the higher educational institutions which are being discussed in subsequent paragraphs.

GRANTS-IN-AID TO UNIVERSITY AND OTHER HIGHER EDUCATION :

Like the previous chapter, it is assumed here also that all the budgeted non-plan expenditures on revenue accounts are maintenance grants and all the budgeted plan expenditures are development grants. Therefore, the data for budgeted expenditure on higher education by education and other departments on revenue account for non-plan and plan schemes are presented in terms of maintenance and development grants respectively in the Table 5.8 which covers the period from 1968-69 to 1984-85.

Looking at the table reveals that the total grants-in-aid have registered manifold increase,i.e., 11 times over the period from 1968-69 to 1984-85. As a percentage of total expenditure of education department they have been ranging between as low as 7 percent in 1971-72, and as high as 12.9 percent in 1984-85 budget estimate. The absolute figure for 1968-69 was 56616 thousands which rose to Rs. 93964 thousands in 1972-73 claiming 8.6 percent of total expenditure of education departmenr. In 1976-77, Rs. 207864 thousands, i.e., 10.1 percent were allocated for grants in the state which shot up to Rs. 422901 thousands in 1981-82 accounting for 10.8 percent of total expenditure of education department. During 1984-85, total grants were

Table 5.8

GRANTS-IN-AID TO UNIVERSITY AND OTHER HIGHER EDUCATION IN U.P. DURING 1968-69 & 1984-85

| | (Rs. in thousands) | | | | Percentage distribution calculated from absolute figures. | | |
|---|---|---|---|---|---|---|---|
| Year | Maintenance grant | Development grant | Total | %age to total Exp. of Edu. Deptt. | Maintenance grant | Development grant | Total |
| 1968-69 | 46390 | 10226 | 56616 | 9.3 | 81.9 | 18.1 | 100.0 |
| 1969-70 | 47831 | 6730 | 54561 | 7.5 | 86.7 | 13.3 | 100.0 |
| 1970-71 | 49202 | 9443 | 58645 | 7.8 | 83.9 | 16.1 | 100.0 |
| 1971-72 | 51705 | 15037 | 66742 | 7.0 | 77.5 | 22.5 | 100.0 |
| 1972-73 | 78190 | 15774 | 93964 | 8.6 | 83.2 | 16.8 | 100.0 |
| 1973-74 | 81841 | 18944 | 100785 | 7.8 | 81.2 | 18.8 | 100.0 |
| 1974-75 | 118390 | 9320 | 127710 | 7.5 | 92.7 | 7.3 | 100.0 |
| 1975-76 | 153864 | 10304 | 164168 | 8.1 | 93.7 | 6.3 | 100.0 |
| 1976-77 | 197127 | 10737 | 207864 | 10.1 | 94.8 | 5.2 | 100.0 |
| 1977-78 (R.E.) | 257233 | 23538 | 280771 | 12.0 | 91.6 | 8.4 | 100.0 |
| 1978-79 (B.E.) | 266161 | 25014 | 291175 | 11.4 | 91.4 | 8.6 | 100.0 |
| 1981-82 | 397415 | 25486 | 422901 | 10.8 | 94.0 | 6.0 | 100.0 |
| 1982-83 | 419699 | 73081 | 492780 | 10.1 | 85.2 | 14.8 | 100.0 |
| 1983-84 (R.E.) | 464242 | 25319 | 489561 | 9.2 | 94.8 | 5.2 | 100.0 |
| 1984-85 | 532979 | 96605 | 629584 | 12.9 | 84.7 | 15.3 | 100.0 |

R.E. = Revised Estimate
B.E. = Budget Estimate
Sources: 1. Trends of Expenditure on Education 1968-69-1978-79 Ministry of Education & Culture, Govt. of India.
2. Analysis of Budgeted Expenditure on Education, for 1984 and 1985, Ministry of Education, Govt. of India.

were 629584 thousands in the budget estimate, the share of which in total was 12.9 percent over the whole period, the absolute value of total grants has continuously been rising except for the year 1983-84 which showed a meagre decline.

MAINTENANCE GRANTS :

Maintenance grant has registered a 12 fold increase roughly over the period under study. During 1968-69, Rs. 46390 thousands were allocated for maintenance purposes which rose to Rs. 78190 thousands in 1972-73. By showing a continuous upward trend, it has reached Rs. 197127 thousands in 1976-77. During 1981-82 Rs. 397415 thousands were given as maintenance grants which was 94 percent of the total grants. In 1984-85 budget estimate, Rs. 532979 thousands were allocated for this purpose. Throughout the period under study, maintenance grant has shown a cosistently upward trend.

If we look at the percentage distribution of maintenance grants extended by state government to higher educational institutions, it has a range from 77.5 percent in 1971-72 to 94.8 in 1976-77 and 1983-84 revised estimate. Except for oneyear it has remained above 80 percent during the whole period. Out of these years, the percentage has been above 90 percent for 7 years. This trend as is revealed by the table gives testimony to the fact that the government of U.P. has

been concentrating upon the maintenance of institutions of higher education in a major way.

DEVELOPMENT GRANTS :

Development grant has got roughly an increase of 9 fold over the period under review. It reveals an erratic trend in its allocation. During 1968-69, Rs10226 thousands were allocated for development purposes which declined in the next two years to rise again to Rs. 15774 thousands in 1972-73. After, 1973-74 it has decreased to Rs. 10737 thousands. During 1977-78 and 1982-83 the absolute figure has shown a considerable increase. By reaching a new level of Rs. 73081 thousands in 1982-83, which again declined to Rs. 25319 thousands in 1983-84. Budget estimates for 1984-85 showed this amount going upto Rs. 96605 thousands by registering a marked improvement in its position.

The percentage distribution of development grant shows that that out of total grants its share has been ranging from a minimum 5.2 percent to maximum 22.5 percent in 1976-77 and 1971-72 respectively. From 1968-69 till 1973-74, the share of development grant has been above 13 percent in the total. This may be because there has been a sizeable expansion in higher education in the state during mid-sixties and mid-seventies for which more development grant was needed. From 1974-75, it has remained below 10 percent till

1981-82. In 1982-83, the figure shot upto 14.8 percentage points to go back again to the minimum 5.2 percent in the next year. During 1984-85 budget estimate, it has improved substantially. The reason for development grant being always less than maintenance grant is that the UGC is statutorily responsible for giving development grant to universities in the country. Whatever development grant is given by the state government is mainly contributed on a matching basis to lift the assistance given by central agencies like UGC,ICAR,ICSSR,etc.

GRANT FOR HIGHER EDUCATION BY SUB-HEADS :

To have a microscopic picture of grants extended by the state government to higher educational institutions, Table 5.9 gives the details for two years 1983-84 and 1984-85 by classifying into sub-heads. For assisting universities for non technical education, total grant was Rs. 188544 thousands comprising Rs. 84544 thousands and Rs. 4000 thousands allocated for maintenance and development grants respectively during 1983-84. The maintenance grant increased to Rs. 97750 thousands in 1984-85 while development grant did not change. The percentage grant to these institutions to total expenditure on university education as a whole was 18.1 and 16.2 in 1983-84 and 1984-85 respectively.

For government colleges, maintenance and development grants were Rs. 21858 thousands and Rs. 4965 thousands in 1983-84 which increased to Rs. 23348

thousands and Rs. 5517 thousands respectively in 1984-85. State's assistance to non-government colleges was Rs. 308370 thousands and Rs. 12190 thousands for maintenance and development purposes in 1983-84 which

Table 5.9

GRANTS FOR HIGHER EDUCATION IN U.P. BY SUB-HEADS

(Rs. in thousands)

| Sub-Heads | Maintenance grant | Development grant | Total | %age to total Exp. on Univ.Edu. |
|---|---|---|---|---|
| Assistance to Universities for non-technical education | | | | |
| 1983-84 | 84544 | 4000 | 88544 | 18.1 |
| 1984-85 | 97750 | 4000 | 101750 | 16.2 |
| Government Colleges | | | | |
| 1983-84 | 21858 | 4965 | 26823 | 5.5 |
| 1984-85 | 23348 | 5517 | 28865 | 4.6 |
| Assistance to non-government colleges | | | | |
| 1983-84 | 308370 | 12190 | 320560 | 65.5 |
| 1984-85 | 337099 | 19830 | 356929 | 56.7 |

Source : Analysis of Budgeted Expenditure on Education, Ministry of Education, Government of India, 1984 and 1985 issues.

increased to Rs. 337099 thousands and Rs, 19830 thousands respectively in 1984-85. The major responsibility of the state government is to finance non-government colleges which claim the highest priority in grants-in-aid policy, the second priority is given to university for non-technical education and third to government colleges.

GRANTS-IN-AID TO TECHNICAL EDUCATION :

Total grants to technical education institutions have increased 6 fold during 1968-69 and 1984-85. According to Table 5.10, the percentage share of total grants to total expenditure of education department has remained between 2.5 percent in 1975-76 and 1981-82 and 4.8 percent in the first two years of study period. A total of Rs. 29382 thousands was given as grants in 1968-69 which increased to Rs. 40169 thousands in 1972-73. In 1976-77 Rs. 58242 thousands were extended to technical education as grants. This shot upto Rs. 95260 thousands in 1981-82. In budget estimate of 1984-85, total grant was allocated to the tune of Rs. 165534 thousands.

MAINTENANCE GRANTS :

The maintenance grant has registered an increase of nearly 7 fold over the period under study. It was Rs. 16140 thousands in 1968-69 which rose to Rs. 27761 thousands in 1972-73. In 1976-77 it was allocated to the tune of Rs. 48750 thousands which, by showing a continuously upward trend, went upto Rs. 82668 thousand in 1981-82. In the budget estimate of 1984-85, maintenance grant was given equal to the amount of Rs. 112073 thousands.

If we look at the percentage distribution of maintenance grant to total grants, it is revealed by

Table 5.10

GRANTS-IN-AID TO TECHNICAL EDUCATION IN U.P. DURING 1968-69 & 1984-85

| Year | (Rs. in thousands) Maintenance grant | Development grant | Total | %age to total Exp. on Edu. Deptt. | Percentage distribution calculated from absolute figures. Maintenance grant | Development grant | Total |
|---|---|---|---|---|---|---|---|
| 1968-69 | 16140 | 13242 | 29382 | 4.8 | 54.9 | 45.1 | 100.0 |
| 1969-70 | 22524 | 12345 | 34869 | 4.8 | 64.6 | 35.4 | 100.0 |
| 1970-71 | 23518 | 11726 | 35244 | 4.7 | 66.7 | 33.3 | 100.0 |
| 1971-72 | 25444 | 11729 | 37173 | 3.9 | 68.4 | 31.6 | 100.0 |
| 1972-73 | 27761 | 12408 | 40169 | 3.7 | 69.1 | 30.9 | 100.0 |
| 1973.74 | 29411 | 10928 | 40339 | 3.1 | 72.9 | 27.1 | 100.0 |
| 1974-75 | 37657 | 5806 | 43463 | 2.6 | 86.6 | 13.4 | 100.0 |
| 1975-76 | 43095 | 8152 | 51247 | 2.5 | 84.1 | 15.9 | 100.0 |
| 1976-77 | 48750 | 9492 | 58242 | 2.8 | 83.7 | 16.3 | 100.0 |
| 1977-78 R.E.) | 52357 | 8371 | 60728 | 2.6 | 86.2 | 13.8 | 100.0 |
| 1978-79 (B.E.) | 58259 | 10091 | 68350 | 2.7 | 85.2 | 14.8 | 1 00.0 |
| 1981-82 | 82668 | 12592 | 95260 | 2.5 | 86.8 | 13.2 | 100.0 |
| 1982-83 | 101732 | 37417 | 139149 | 2.8 | 73.1 | 26,9 | 100.0 |
| 1983-84 (R.E.) | 107391 | 40289 | 147680 | 2.8 | 72.7 | 27.3 | 100.0 |
| 1984-85 (B,E.) | 110073 | 55461 | 165534 | 3.0 | 66.5 | 33.5 | 100.0 |

R.E. = Revised Estimate
B.E. = Budget Estimate
Sources : 1. Trends of Expenditure on Education 1968-69— 1978-79, Ministry of Education and Culture, Govt. of India.
2. Analysis of Budgeted expenditure on Education, for 1984 and 1985, Ministry of Education, Govt. of India.

the right segment of the table 5.10 that it has ranged between 54.9 percent in 1968-69 and 86.8 percent in 1981-82. For six years maintenance grant was below 70 percent of the total grant, whereas for 9 years, continuously fron 1973-74 to 1983-84 as reported in the table, it has remained above 70 percent.

DEVELOPMENT GRANTS :

According to the table referred above the development grant to institutions of technical education has shown roughly 4 fold increase over the period under review. It was Rs. 13242 thousands in 1968-69 which decreased to Rs. 12408 thousands in 1972-73. In 1976-77, it again declined to Rs. 9492 thousands which rose to Rs. 12592 thousands in 1981-82. After this it has shown a substantial increase in its amount rising to Rs. 55461 thousands in 1984-85 budget estimate. Throughout the period it has recorded an irregular trend.

The percentage distribution of development grant to total grants also shows a very wide range between the minimum 13.2 percent in 1981-82 and 45.1 percent in 1968-69, From 1968-69 to 1973-74 and again from 1982-83 till the last year, the percentage has remained above 26 points while from 1974-75 to 1981-82 it has been continuously held below 20 points. It follows from the table that after the mid-sixties and before mid-seventies, the considerable expansion in

higher education in general and technical education in particular was heavilym financed by giving grants for development purposes of the institutions of U.P.

GRANTS FOR TECHNICAL EDUCATION INSTITUTION BY SUB-HEADS:

Table 5.11 gives the details of grants to technical education institutions by some of the major sub-heads, namely polytechnic schools for arts andcrafts and engineering and technical institutions for two years in 1983-84 and 1984-85. It is revealed by having a glance at the table that total grants to polytechnic schools have been Rs. 55049 thousands in 1983-84 and Rs. 68105 thousands in 1984-85, by claiming 44.3 percent and 41.2 percent of total expenditure on technical education respectively for the two years. The

Table 5.11

GRANTS FOR TECHNICAL EDUCATION IN U.P. BY SUB-HEADS (Rs. in thousands)

| Sub-Heads | Maintenance grant | Development grant | Total | %age to total Exp. Tech.Edu. |
|---|---|---|---|---|
| Polytechnic Schools for Arts and Crafts | | | | |
| 1983-84 | 40773 | 14276 | 55049 | 44.3 |
| 1984-85 | 46470 | 21635 | 68105 | 41.2 |
| Engineering and Technical Institutions | | | | |
| 1983-84 | 50042 | 7900 | 57942 | 46.2 |
| 1984-85 | 53726 | 29901 | 83627 | 50.5 |

Source : Analysis of Budgeted Expenditure on Education, Ministry of Education, Govt. of India, 1984 and 1985 issues.

maintenance and development grant were Rs. 40773 thousands and 12276 thousands in 1983-84 which rose to Rs. 46470 thousands and Rs. 21635 thousands respectively in 1984-85.

As far as engineering and technical institutions are concerned, total grant was Rs. 57942 thousands in 1983-84 to increase to Rs. 83627 thousands in 1984-85, which accounted for 46.6 percent and 50.5 percent respectively during the two years. The maintenance and development grants were Rs. 50042 thousands and Rs. 7900 thousands in 1983-84 which climbed upto Rs. 53726 thousands and Rs. 29901 thousands respectively in 1984-85. It is revealed from the table that these two sub-heads have claimed the major share in the total grants to all technical institutions leaving a very negligible portion for other sub-heads.

In this chapter we have discussed at length the amount of grants being extended by U.P. government through its agencies to finance higher educational institutions of general and technical courses. Starting from the number of institutions and enrolment in higher education in the state, we have also discussed the growth in number of teachers over the years. These aspects were covered to have a knowledge of quantum expansion of higher educational facilities in U.P. Outlays and expenditures on education have been

touched upon with the help of tabulated data for recent years to know the relative importance of higher education in financing. We then have also discussed the method of calculating grants for few universities of the state and also the procedure of giving grants to the colleges. In the end, grants-in-aid to higher educational institutions have been analysed in detail by giving relevant data of recent years. For having a better and detailed understanding, we have dealt with grants-in-aid to university and other higher education and to technical education separately. In conclusion, it may be said that the whole chapter covers a comprehensive picture of expansion and development of higher educational facilities in the state of U.P. made possible largely by grants-in-aid policies of the governement.

# C H A P T E R - VI

# CONCLUSIONS AND POLICY IMPLICATIONS

In the preceding chapters of this study, we have covered the financing of higher education based on a discussion of its multiple dimensions in India as a whole. The next two chapters have been discussed by toudhing upon the definitional aspects, purposes, characteristics, features, patterns and procedures of grants-in-aid system in general and for two states— Gujrat and Uttar Pradesh-- in particular, which have been chosen for our case study. In chapter four, Gujrat state figures in the study extending our investigation into growth of enrolment and institutions of higher education, number of teachers, income and expenditure on education as a whole, methods of calculating grants for a few universities of the state and finally the extent and amounts of grants-in-aid provided to higher educational institutions of general and technical education. The whole chapter is based on various tables of data and figures. Chapter five follows the same pattern of analysis and interpretation of various aspects of higher education including grants-in-aid given to the institutions in the state of U.P.

The present chapter will be devoted to drawing som conclusions from the foregoing study of state grants-in-ai

to higher education institutions in Gujrat and Uttar Pradesh. Based on the conclusions will be the policy implications to be followed as prescriptions by the country in general and the state governments in particular for a planned development and expansion of educational facilities in higher education. This point receives more importance after the publication of new national policy on education in India in 1986.

A BRIEF COMPARISION :

In almost every respect U.P. is far outweighing Gujrat as for as the comparison of various types of data relating to education is concerned. In chapters four and five we have analysed separately different types of numerical data for Gujrat and U.P. Looking back at the two chapters, it is clearly revealed that the growth of enrolments in absolute terms has been always higher for U.P. than for Gujrat, over the years in higher educational institutions. Number of university colleges and affiliated colleges in U.P. was slightly less than double the number of Gujrat as is shown by the tables in previous two chapters. If we look at the number of affiliated colleges of Arts, Commerce and Science only, it tells the same story. It should not, then, be surprising if the number of teachers engaged in higher educational institutions in U.P. is larger than in Gujrat which is obvious from the data presented in the previous two

chapters.

Now, if we have a glance at the table showign total budgeted expenditure as a whole by education and other departments in the two states, the absolute figure for U.P. has always recorded a higher total expenditure than for Gujrat. However, the percentage of total expenditure on education to total revenue budgets in the two states does not show any marked differences over the period of study covered.

Studying the grants-in-aid tables in the last two chapters clearly manifests that the maintenance and development grants given by U.P. to its university and other higher educational institutions have been roughly doubled or more than double the grants extended by Gujrat to its institution over the whole period under study. But, however, the total grants as a proportion of total expenditure of education department have recorded a fluctuating position for the two states over the years. For technical education,too, the grant-in-aid figures narrate a more or less similar story for the individual states.

As far as maintenance and development grants to university and other higher education by sub-heads are concerned, the relevant respective tables for the

two states depict that U.P. has always allocated more grants to various sub-heads than the state of Gujrat, whether they are universities for non-technical education or government colleges or non-government colleges. In case of technical education by sub-heads, whether they are polytechnic schools for arts and crafts, or engineering and technical institutions, the position is no different from that of general education.

It should not be surprising to know of U.P. that it is far outweighing the state of Gujrat in every aspect of education discussed in the foregoing paragraphs if we add some more factual information. These informations relate to common knowledge about the state. U.P. is the most populous state in the country having the largest number of universities and colleges. In 1979-80, the figures related to average population per university and average number of students in higher education per university are presented for Gujrat and U.P. in Table 6.1 below to bring our point home.

The table shows that there twenty universities in U.P. in 1979-80 as against only nine in Gujrat. The population of U.P. , according to 1981 census , was around 3.3 times that of Gujrat.

Relatively, however, average population per university in U.P. was only one and half times the average population per university in Gujrat, the number of students in higher education in the former state was only 2.5 times the number in the latter, and finally the average number of students in higher education per university was 21579 in U.P. as against only 18875 in Gujrat, being only 1.2 times the number in the latter state. The analysis of the table gives testimony to the fact that literacy rate is higher in Gujrat than U.P.

Table 6.1

AVERAGE POPULATION PER UNIVERSITY AND AVERAGE NUMBER OF STUDENTS IN HIGHER EDUCATION PER UNIVERSITY IN GUJRAT AND U.P. FOR 1979-80

| State | Number of Universities | Population 1980 (end) | Average Population per University | Number of Students | Average Number of Students per University. |
|---|---|---|---|---|---|
| Gujarat | 9 | 33690905 | 3743434 | 169878 | 18875 |
| U.P. | 20 | 110858019 | 5542901 | 431584 | 21579 |

Source : 'Uttar Pradesh Mein Uchcha Shiksha', Directorate of Higher Education, U.P., Allahabad, 1982, p.65.

The Universities in Gujarat are less heavily burdened than in U.P. as far as the number of students per university is concerned. In 1981, the literacy rate in Gujarat, being 43.75 percent, was higher than the figures for U.P. and

India as a whole which had 27.04 percent and 36.17 percent literate persons respectively.[1]

If we calculate per student expenditure based on the data presented in the last two chapters for higher education, it will be clear enough that it is higher in Gujarat for general higher education as well as technical education than in U.P. It may also subsequently be deduced that a student in Gujarat claims larger share of grants than in U.P. Apart from this Gujarat emphasises more on giving performance grants to its institutions than U.P. according to some set criteria.

These are some of the aspects which are generally receiving the attention of educational planners in the country. They prove that the state of Gujarat is educationally far more advanced than U.P.

CONCLUSIONS :

In the concluding remarks , it should be mentioned that, although the government grants in the two states have increased manifold over the years, there has emerged a lot of distressing trends in the over all system of grants-in-aid. These trends vary from state to state. Some of them are discussed below,

---

1. Statistical Diary, U.P., 1981, State Planning Institute, Lucknow, U.P., with reference to relevant tables on education.

which are based on our study in previous chapters.

General Conditions :

The state governments have framed a certain set of conditions for giving grants-in-aid to higher educational institutions. A critical examination of these conditions proves that the principal objects for them are administrative and financial which are not enough in that the main object should be academic also. In many cases we find that they are not supportive for the academic development of institutions. Authorities pay a very little attention towards these, the result of which is that there is very less coordination in the development and expansion of higher educational facilities.

In defining 'approved income' and 'approved expenditure' for giving grants, a lot of variations have been noticed. In several instances, important items of income and expenditure are left out creating enormous problems for the institutions.

Patterns and Procedures :

A lot of loopholes have come up in the patterns and procedures of grants-in-aid. The system of grants-in-aid has been exercised on an inequitable basis by extending more liberal assistance to one type of institutions than others. In different states, due to this, discrimination has

creeped in giving grants to collegiate institutions.

There seems to be some unspecific patterns in giving grants-in-aid owing to the fact that the rules for them are adhoc in many cases which lead to a lot of red-tapism in getting grants. There is no specific definition followed for estimating approved income and expenditure. The arbitrariness in monetary ceilings in grants, has also been noticed in many cases.

The inadequate funding by the state governments has caused many problems for a lot of institutions in the country as a whole. They are severely constrained by the inadequate resources from the government of states that they can not meet their urgent requirements which are quite important for supporting the institutions in various academic matters. In many cases, due to lack of resources, many urgently needed posts continue to fall vacant for quite a long time.

In many cases we come across the practice of giving no special encouragement to educational institutions rendering the system of grant-in-aid non-promotional. Lack of incentives [illegible] will prove to be less enthusiastic activities being ventured upon by the institutions in academics and co-curricula . In some cases, mobilisation of additional resources for higher education, has been discouraged. The institutions can not

charge more tuition fees, even if their cases are genuine.

The system of grants-in-aid has shown some disquieting phenomena by restrcting the autonomy of the institutions, specially the universities. They are restricted in matters of recruitment of staff, in deciding upon the the syllabi, and many other important matters. Due to a lot of red-tapism and procedural bottlenecks in obtaining grants, there are unnecessary delays in sanctioning and releasing of these grants on the parts of state government.[2]

POLICY IMPLICATIONS :

Considering the facts that higher education is the most vocal and important sector of education as it generates highly technical and professional human resources in the country, a due attention should be paid to it. The policy implications based on the present study would be more important at a time when a new ministry recently has been created namely, the Ministry of Human Resource Development, by the government of India. The other factors which compel the governments for supporting the higher education are : inability of the private enterprises to adequately finance higher educational institutions under their management, and the objective of accelerating the process of socio-economic

---

2. Similar arguments have been put forth by Azad, J.L. : Government Support for Higher Education and Research, NIEPA and Concept, New Delhi, 1984, pp.133-35

development of the country through higher education.

The grant-in-aid should be used as a powerful financial instrument regulating an unplanned proliferation of higher educational institutions in the country as a whole and in the states at provincial level. Studens' enrolment should be guided by a suitable and strict policy. Setting up of non-viable institutions should be checked up by disallowign government grants to them.

The grants-in-aid by the governments to higher educational institutions should be considered as an investment in human capital and the grant-in-aid policy should be guided by a suitable rate of return calculations. In the case of India while estimating the rate of return from investment in education in general and higher education in particular, social rate of return will have to be assigned a due weightage, apart from the private rate of return estimation. Social returns fromm investment in education are contingent upon the socio-political build-up of the country. In general higher education, one may not be able to adopt a suitable grant-in-aid policy by taking into account only the private returns as students' enrolment in this sub-sector is not properly guided by a well conceived policy of manpower requirements of the economy. Therefore,

the educational planners in India might have sufficient stake in considering a mixture of social and private returns for making investment in general higher education through grant-in-aid system.

The investment in technical education, however, can give a fair degree of weightage to the private rates of return which are dominant in this sub-sector of higher education as it is the individual having a technical degree in his hands whose age-earning profile starts from a quite higher levels of income after he finishes his education. Therefore, the grant-in-aid policy for technical education in the country and as well as in the states should be followed on a different footing which will be based on some mechanical econometric calculations of the rates return. A fair degree of accuracy will be the guilding principle for projecting manpower requirements in highly technical fields. Therefore, students' enrolment in the institutions for technical education should be based on a suitable projection of manpower forecasts.

It is implicit in our foregoing discussion that a new and radically different system of grants-in-aid should be adopted which shall be based on the following general and basic principles: simplicity, specificity, fairness, adequacy, elasticity and selectivity.[3]

3. Committee on College Finances— Grant-in-Aid to Affiliated Colleges in the State of Gujarat, Ahmedabad, Govt. of Gujarat, 1977, pp. 30-31.

It is a matter of proper execution of grant-in-aid policy which will ensure a strict adherence to these basic principles. Patterns and Procedures of grants should be streamlined according to the changing needs of higher educational institutions in the states. A more rigorous adoption and implementation of grant-in-aid policy should be followed strictly in the case of U.P., because this state having the largest higher education sector in terms of institutions and enrolment, has a lot of vulnerable elements which will be responsible for a degeneration in the tertiary sector of education. The grants-in-aid system should be comprehensive enough to consider extending performance grants and incentive grants to institutions doing better in academic and co-curricula activities as also experimenting innovations in higher education.

Since state governments are vested with a lot of functions and education not being the only prerogative, it has become increasingly difficult for them to finance all higher educational institutions indiscriminately. It has become imperative in this context that internal resource mobilisation should be augmented by encouraging philanthropic contributions and endowments from private persons. There is a strong case for raising tuition fees

in the institutions of higher education as many experts on educational planning have advocated.[4] But as discriminatory fee policy should be adopted as an alternative which will discriminate against the rich and in favour of the poor, or a high rate of fees should be charged uniformally coupled with adequate assistance to students in higher educational institutions based on merit-cum-means considerations . The above measures will help in adequately generating the internal resources for financing higher education.

For effecting internal economy measures in the allocation of scarce resources to higher educational institutions, the application of zero-base budgeting and performance budgeting[5] should be considered as one of the most important policy implications for reforming the financial and budgetary system of these institutions, specially universities. These budgetary reforms will ensure internal resources savings by effectively and

---

4. Azad, J.L. : Financing of Higher Education in Indian States, NIEPA (Mimeo), New Delhi, 1985, pp.108-109

5. Padmanabhan, C.B.: Financial Management in Education, Select Book, New Delhi, 1984, relevant chapters and Panchmukhi, P.R.; Zero-Base Budgeting and Higher Educational Finances, Seminar Paper presented in the Seminar on New Education Policy and Programme of Action, March 26-27, 1987, sponsored by Jawaharlal Nehru University and University Grants Commission, New Delhi. Both of them have advocated for the application of these concepts in financing the higher education in India.

efficiently utilising the scarce resources at their disposal.

It may be said in conclusion that if all the policy implications are sincerely considered for financing higher educational institutions through grant-in-aid system, the situation is bound to improve. It is only a matter of proper execution and implementation of these policy imperatives which will facilitate an over all and comprehensive expansion and development of higher educational facilities in the country.

# S E L E C T

# B I B L I O G R A P H Y

## SELECT BIBLIOGRAPHY


Adiseshiah, M.S.(1977), " Educational Financing:Educational Financing Magnitudes and Their Rationale", Bulletin Madras Development Seminar Series, August.

Amrik, K.R.(1967), "Efficiency of Investment in Education", in Baljit Singh(ed), Education as Investment, Meenakshi Prakashan, Meerut.

Azad, J.L.(1975), " Financing of Higher Education in India", Sterling, New Delhi.

_____(1984),"Government Support for Higher Education and Research", National Institute of Planning and Administration and Concept, New Delhi.

_____(1985),"Financing of Education in Indian States", National Institute of Planning and Administration,Mimeo. New Delhi.

_____(1974),"A Critical Study of the Finance of Higher Education in India", in Amrik Singh and Philip G. Attach(ed.), The Higher Learning in India, Vikas, Delhi.

_____(1975),"Academic and Financial Management of Higher Education, "University Administration", 2(1 and 2), January-December.

_____(1976),"Financing Institutions of Higher Education in India : The need for a Realistc Fee Policy", Higher Education :5(1);Feb.

Balachander,K.K.(1986)," Higher Education- A New Strategy Needed", Published in " the Economic Times", New Delhi,Friday June 13.

Blaug, M.(1967)" Approaches to Educational Planning", Economic Journal, 77/306, June.

_____ (1969), The Causes of Graduate Unemployment in India, Penguin, London.

_____ (1970), An Introduction to the Economics of Education, Allen Lane, Penguin, London.

Brahmanand, P.R.(1967), "Economic Theory and Investment in Education",in Baljit Singh(ed.), Education as Investment, Meenakshi Prakashan, Meerut.

Chalam, K.S. (1986), Finances, Costs and Productivity of Higher Education, Inter-India Publications,New Delhi.

Dharwadkar, R.Y. (1971)," Financial Management of Private Affiliated Colleges", in S.C. Malik(ed.), Management and Organisation of Indian Universities, Indian Institute of Advanced Studies, Simla.

Gujarat Committee on College Finances- Grants-in-aid to Affiliated College in the State, Ahmadabad,, Government of Gujarat, 1977.

Hallack, J.(1969), The Analysis of Educational Costs and Expenditure, Paris: UNESCO, International Institute for Educational Planning.

Hansen, W. Lee (1963), "Total and Private Return to Investment in Schooling", Journal of Political Economy 81, no. pp.128-40.

Heyreman, S.P.(1979)," Investment in Indian Education, UNESCO, Paris", World Bank Staff Working Paper No. 327, May, Washington.

Hicks, U.K.(1969), "Educational Expansion in Low Income Countries with Special Reference to India," in A.V. Buleskar (ed.) Indian Economic Thought and Development, Popular, Bombay.

Kamat, A.R.(1981)," Financing of Higher Education: A Socio-Political Analysis of Basic Issues" in Amrik Singh and G.D. Sharma (ed.) University and Colleges Finances, Association and of Indian Universities, New Delhi.

Kothari, V.N. and Panchmukhi, P.R.(1969),"Economics of Education : A Trend Report", in D.T. Lakdwala(ed.), A Survey of Research on Economics : Vol.VI, Infrastructure, Allied, New Delhi.

Lakdwala, D.T. and Shah, K.R. (1975), Financing of University In Gujarat", Economic and Political Weekly, 10(20); 17 May.

_____( 1978), "Optimum Utilisation of Educational Expenditure in Gujarat", S.P. Institute of Economics and Social Research, Ahmadabad.

Majumdar, apas(1983), Investment in Education and Social Choice, Cambridge University Press, London.

Mathew, E.T. (1980), University Finances in India : A case Study of Kerala University, Sterling, New Delhi.

Ministry of Education, Government of India, "Report of the University Education Commission (1948-49)",Vol.I.

Ministry of Education, Government of India "Report of Education Commission (1964-66)".

Ministry of Human Resource Development, Government of India, "National Policy on Education 1986".

Misra, Atmanand (1962), Educational Finance in India, Asia, New Dehi.

_____ (1970), Financing of Indian Education, Asia, Bombay.

_____ (1973), "Grant-in-Aid of Education in India", Macmillan, India.

Mridula (1985), "State Funding of Universities-A Study of Maintenance Grants to Universities", Association of Indian Universities, New Delhi.

Mukherjee, K. (1981), "Financing of Indian Universities-An Extreme View", in Amrik Singh and G.D. Sharma(eds.) University and College Finances, Association of Indian Universities, New Delhi.

Naik, J.P. : Grants-in-Aid to Educational Institutions in India-A comparative Study of the Rules Relating to Grants-in-Aid to Colleges of Arts and Science, Secondary Schools, Middle Schools and Primary Schools.(Mimeo),UGC Library.

_____(1968), "Education in the Fourth Plan", Nachiketa Publications, Bombay.

_____(1975), Policy Performance in Indian Education(1947-74) : Dr. K.G. Saiyidan Memorial Lectures 1974, Orient Longman, New Delhi.

Nanjundappa, D.N. (1976), Working of University Finances, Sterling, New Delhi.

Nayar, D.P. (1977), "Financing of Higher Education", University News, 15(4), 16 February.

National Institute of Educational Planning and Administration New Delhi : Educational Administration in Gujarat : A Survey Report (1980).

_____A Survey Report : Educational Administration in Uttar Pradesh (1976).

Padmanabhan, C.B. (1976), "Financing of Indian Education", Journal of University Education, 5(2),December 7.

_____ (1982),"Principles and Techniques of Indian Education Finance", New Frontiers in Education, Vol.XII,No.2,April-June.

Padmanabhan, C.B. (1984), "Financial Management in Education", Select Book, New Delhi.

_____ (1985), "University Budgetery Reforms for Sound Financial Management" in New Frontiers in Education, Vol. XV, No.3, July-September.

Pandit, H.N. (1972), "Financing of Education in India", Economic and Political Weekly, Special Number, August.

Panchmukhi, P.R. (1974), Economics of University Finances, Department of Economics, University of Bombay,Bombay.

_____(1987), "Zero-Base Budgeting and Higher Educational Finances", paper presented in the Seminar on New Education Policy and Programme of Action, March 26-27, sponsored by JNU and UGC,New Delhi.

Planning Commission, Government of India, New Delhi, "Draft" Seventh Five Year Plan, 1985-90",Vol.II

_____" Report of the Steering Group on Education, Culture and Sports for Seventh Five Year Plan (1985-90),December, 1984.

Pinto, Marina (1984), "Federalism and Higher Education" Orient Longman, New Delhi.

Rao, R. Sudarsana (1986) "Grants-in-Aid and Economic Development in India, Allahabad.

Raza, Moonis (1984)," Higher Education In India: The Regional Dimension, NIEPA Occasional Paper, New Delhi.

Raza, Aggarwal and Hassan (1985), in J. Veeraraghavan (ed.) Higher Education in the Eithies:Opportunities and Objectives, Lancer International, New Delhi.

Schultz, T.W. (1968),"Investment in Human Capital", in Mark Blaug (ed.), Economics of Education,Vol.1,Penguin, London.

Shukla, P.D. (1983) "Administration of Education in India", Vikas, New Delhi.

Singh, Amrik and Sharma, G.D.(1981), "Introduction", in their edited book"University and College Finances", Association of Indian Universities, New Delhi.

Singh, Bir (1979), "Financing the Universities", New Frontiers in Education, Vo.IX,No.4, October-December.

Singh, Narindar (1976)" Economics and Crisis of Ecology", Oxford University Press, Delhi.

Sobti, M.L.(1987) ' A Financial code for University Systems', NIEPA and Vikas, New Delhi.

Tilak, J.B.G. and Varghese, N.V. (1982),Resources for Education in India', Paper presented in Seminar, NIEPA, New Delhi November.

University Grants Commission, New Delhi: An Approach to Development of Higher Education for the Plan Period 1978-83.

_____ 'Report of the Committee on Colleges, 1967.

Uttar Pradesh Gazette, Extra Ordinary, May 13, 1975: The Uttar Pradesh Education Laws Amendment Act, 1975.

Vaizey, John and Sheehan J.(1968), Resources for Education, Allen and Unwin, London.

_____ (1972), The Political Economy of Education, Dickworth, Lon don.

Varghese N.V.,(1986), "Higher education and Employment in India- A review, NIEPA ,New Delhi.

Veeraraghawan J.(1982), Non-Plan Resources for Education : The role of Finance Commission,Paper presented in the Seminar on bilisation of additional resources for education, NIEPA, July, New Delhi.

World Bank (1986)" Financing of Education in Developing countries"

An explanation of Policy Options, Washingto,

Zakir Hussain Centre for Educational studies, Jawaharlal Nehru University, Report of the Seminar on the 'New Education Policy", 29-30 October, 1985, mimeos

SOURCES OF EDUCATIONAL STATISTICS

Association of Indian Universities (1978) :University Finanace A Satisfied Profile, New Delhi.

Government of Gujarat, Directorate of Technical Education: Annual Administrative reports, various issues of recent years.

Government of Gujarat, Statistical Outline of Gujarat', Various issues.

Institute of Applied Manpowere Research, New Delhi: Third All

India Educational Survey-- Technical and Vocational educatidn and Training in U.P. (1975)

Ministry of Education, Govt. Of India,"Trends of Expenditure on Education 1968-69 -- 1978-79", 1980.

Ministry of Education, Government of India :Analysis of Budgeted Expenditure on Education' various issues.

_____" A Handbook of Educational and Allied Statistics", 1983.

Ministry of Education and Culture, Govt. of India, "Education in India", different volumes.

Ministry of Education, Govt. of India, New Delhi, Educational Statistics at a Glance, different issues.

_____, Education in Universities in India- A Statistical Survey, recent issues.

_____, Selected Educational Statistics in India,different issues.

Ministry of Finance, Govt. of India, 'Economic Survey', 1985-86.

Uttar Pradesh, Directorate of Higher Education, Allahabad (1984): 'Uttar Pradesh Ke Mahavidyalay', May

_____ (1985) : Uttar Pradesh Mein Uchcha Shiksha Ka Vikas, March.

_____ (1982) :Uttar Pradesh Mein Uchcha Shiksha', April

Uttar Pradesh, Directorate Education, Allahabad :'Shiksha Ki Paragati', 1984-85.

Uttar Pradesh State Planning Institute, Lucknow: 'The Statistical Diary', for different years.

Uttar Pradesh, State Institute of Education, Allahabad, Uttar Pradesh Ki Shiksha Sankhyiki' (1986)

University Grants Commission, New Delhi, Annual Report, various issues.

_____ : Pocket Book of University Education, New Delhi, various issues of recent years.