

Financing Of Higher Education in India

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Abstract

Education is a Nation's Strength. India has a long history in the field of higher education. In ancient times, the country was known to have been the oldest universities in the world. India's higher education system is the third largest higher education system in the world, next to China and the United State. Our country education system, come under concurrent list which is the sharing responsibility both the central and the state government. Therefore, both the central and state government plays an important role for the growth and development of higher education. The current study aims to highlights the Centre- State relationship on higher education, discussed the role of various agencies on financing of higher education, and also discussed different sources of finance in higher education in India. In the present study, the researcher used secondary sources of data.

Keywords: Higher education, Financing, Centre-State, Agency, Sources.

1. INTRODUCTION

Education is the most powerful elements to change the World. Higher education is one of the weapon which contribute for the economic growth of the Nation. India's higher education system is the third largest higher education system in the world, next to China and the United State. Our country higher education system gets more flourished after the Independence. The 'Right to Education Act' which stipulates compulsory and free education to all children within the age group of 6-14 years, has brought a revolution in the education system of the country and it increase the number of enrolment of students in school. The National Policy on Education (1986) defines the role of Higher Education as a crucial factor for survival providing the important task of preparing good citizens and leaders for different walks of life. The role of Universities and college in social transformation, nation building and scientific development is all pervasive. Indian higher education covers the undergraduate, post graduate, different research programmes (M.Phil, PhD) etc.

After the Independence, the Government of India took upon the responsibility of the expansion and growth of higher education. Many commission and committee were set up for the development of higher education. Radhakrishnan Commission(1948-49), Kothari Commission

(1964-66), New Education Policy (1886), Revised National Policy of Education (1992), National Knowledge Commission (2005), Yash Pal Committee Report (2009), National Commission for Higher Education and Research Bill (2010), Rashtriya Uchchatar Siksha Abhiyan (2012), New Education Policy (2020) were develop by the Government of India in the field of higher education.

India's Higher Education sector has witnessed a massive increase in the number of Universities/University level Institution & Colleges since Independence. As per the latest 2011 Census, about 8.15% (98.615 million) of Indians are graduate, with Union Territories of Chandigarh and Delhi topping the list with 24.65% and 22.56% of their population being graduates respectively. Indian higher education system has expanded at a fast pace by adding nearly 20,000 colleges and more than 8 million students in a decade from 2000-01 to 2010-11. As of 2020, India has 54 central universities, 416 state universities, 125 deemed to be universities, 361 private universities, 7 Institute under State Legislature Act, and 159 Institute of National Importance which includes IIMs, IITs, IIITs, IISERs and NITs among other. Other institutions include 52,627 colleges as government degree colleges, private colleges, standalone institutions, and post graduate institutions functioning under these

universities as reported by the Ministry of Human Resource Development in 2020.

The Central and State government makes policy on higher education in India. University Grants Commission (UGC), All India Council for Technical Education (AICTE), Council for Scientific and Social Science Research (CSIR), Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Indian Council of Social Science Research (ICSSR) are the regulatory agencies of higher education in India. National Assessment and Accreditation Council (NAAC) and National Board of Accreditation (NBA) are responsible for accreditation of higher education in India.

2. OBJECTIVES OF THE STUDY

The objectives of the present study are

- To discuss the Centre- State relationship on higher education in India.
- To discuss the role of various agencies on financing of higher education in India .
- To discuss the different sources of finance in higher education of India.

3. SIGNIFICANCE OF THE STUDY

Higher education system plays an important role for the country's development which includes industrial, social, economical etc. It works towards preparing better citizens with knowledge, value activities, skills, competency, professional development etc.

Therefore, to achieve the goals of 21st century it is very essential for providing proper finance in higher education . In our country , both central and state government sharing their responsibility in education. This study helps us to know about the relationship of centre and the state on higher education in India, highlight the role of various agencies on higher education and also discussed different ongoing sources of finance of higher education.

4. METHODOLOGY

For the present study, descriptive method has been applied. The researcher has been also used secondary sources like book, journals, website etc. for reviewing the data.

5. ANALYSIS AND INTERPRETATION

■ The Centre- State relationship on higher education in India:

The Seventh schedule of Indian Constitution defines and specific allocation of the powers and functions of Central and State Government and it covers three list i) Union list, ii) State list iii) Concurrent list. The Education comes under concurrent list which is the sharing responsibility of Centre and State government. Further, the need for planned development of higher education made it necessary to authorities the union government to coordinate and determine standards in universities and scientific, technical or research institutions (Entry 66 of List I) (Tilak, p10) .This gave the union government considerable power over all aspects of higher education. Because of factors such as higher costs of university education and costs of scientific research , the difficulty of attracting talented teaching personnel, and the importance of international collaboration to do high quality research and to train students in technical fields, scientific research, technical education, and the higher types of professional and vocational education, jurisdiction over higher education and vocational & technical education had also to be assigned to the union government (Entries 64 and 65 of list I) (Tilak, p10-11).

Since Independence, the Central government has started spending money on higher education. The Centre gives grants-in-aids to the universities and other educational institutions of higher education .Under various government schemes, UGC provides scholarship and stipends to the students who are studying in colleges and universities. Having education in the concurrent list the centre can directly implement any policy decision in the state. The Central government formulates and implement policy, committees, and commission on higher education. The Central government and UGC work together for the promotion of higher education. Central government sponsors schemes fully financed by it but implemented by the States. The state government also work for the growth, development and promotion of higher education. The state government establishes state councils and advisory boards to coordinate to all the educational activities

and provide financial help to the universities and colleges.

The both centre and state government has established a number of institutions of higher education. The Central government finances on state plans on education , implements central schemes on education, Coordinates state educational efforts, provides leadership, conducts research in various matters . To facilitate corporation between the centre and states, the centre organizes conferences, workshop and seminars. The centre has establishes a number of organization like UGC, AICTE, NCERT, NCTE, SCERT etc. on which selected persons from the centre and state represent.

■ **The role of various agencies on financing of higher education in India :**

There are different agencies which are responsible for proving finance in higher education in India and they are discussed below :

- **University Grants Commission(UGC) :** The coordination, determination and maintenance of higher education are the main functions of University Grants Commission. It provides grants to the government university, colleges and also gives scholarship to the students. On average every year UGC spent 725 crore on doctoral and post- doctoral scholarship. UGC launched different scholarship schemes like Ishan Uday, Post Graduate Merit Scholarship for the university undergraduate 1st and 2nd rank holders.
- **NITI Aayog :** NITI Aayog official V K Saraswat said “If we neglect higher education, we neglect growth of the nation as a whole because higher education contributes to the nation’s growth.” Indian government (both Central and State) spending almost 3 percent GDP on education .NITI Aayog has suggested to increase the spending on education at least 6 percent of GDP by 2022.
- **Ministry Of Education:** The Ministry of Education covers two departments that are Department of School Education and Literacy and Department of Higher Education. In Union Budget 2021-2022, according to the speech of Finance Minister total 93,224 crore will be allocated for the Ministry of Education . This covers of Rs. 54,874 crore for the

Department of School Education and Rs 38,350 crore for the Department of Higher Education.

- **Higher Education Funding Agencies:** It is a autonomous body which is a joint venture between Ministry of Education and Canara bank. It mainly aims at financing the building of educational infrastructure and Research & Development infrastructure and thereby enabling the institutions to reach top ranking globally.

In India, the statutory professional council are All India Council Of Technical Education (AICTE), National Council of Educational Research and Training (NCERT), State Council of Educational Research and Training(SCERT), Medical Council Of India (MCI) , Indian Council of Socia; Science Research (ICSSR), Indian Council For Agricultural Research (ICAR), National Council for Teacher Education (NCTE), Dental Council of India (DCI) , Council of Scientific and Industrial Research (CSIR), Pharmacy Council Of India (PCI) , Indian Nursing Council (INC), Bar Council Of India (BCI), Central Council of Homeopathy (CCH), Central Council For Indian Medicine (CCIM), Council of Architecture , Distance Education Council (DEC), Rehabilitation Council, National Council For Rural Institutes (NCRI), State Councils Of Higher Education (SCHE) . Professional council are responsible for recognition of courses, promotion of professional institutions and providing finance to undergraduate and post -graduate programmes.

■ **The Sources of Finance of Higher Education in India :**

- **Public Funding :** In India , both Centre and State jointly finance on higher education. Every year the Union and the State government Budget also cover an amount for the development of higher education. The Central Universities received more funding than State Universities from Central Government. The government has created fund and distributed it through various agencies like UGC, NCERT, NCTE, SCERT, AICTC, NUEPA etc. The Central government also develop different plans, policy, committees, commission to provide funding

and raising the standard of higher education and implemented it by the State.

- **Private Funding :** Private funding is the another important source of income in higher education . Despite the dominance of governmental funding, the share of private expenditures on overall funding of higher education has increased day by day. Enterprises involved in the educational activities (transport, school supplies, uniforms), donations, sponsorship, subscription, gifts etc. are involved in private funding in higher education.
- **Local bodies :** Local bodies like Municipalities, Boards, District bodies, Zilla Parishads and Panchyats also run educational institution in their locality . They also provides finance through local taxes and grants from the State government for the fulfillment of the goal of higher education at grass root level.
- **Student Fees :** Students admission fees in the University and college involves different fees like tuition fees, library fees, laboratory fees, sports etc also generating income in higher education. Universities in India have been practicing this source of income in higher education.
- **Education Loans ;** The Government of India provides education loans for the students to pursue their higher education. The interest coming from the education loans also considered as a source of finance in higher education.
- **NGO'S Funding :** Apart from the scholarships financed by the Central and State government in higher education, NGO also provide financial help by giving scholarship to the students for higher education .
- **Income from Endowment :** The University utilize endowment some specific purpose like scholarship and research activities. Clark (2003,p104) mentions that the building of endowment has become a primary tool in university transformation that moves from state control to self-reliance.
- **Alumni Fundraising :** Alumni is the another alternative source of income for the universities. Clark (2003,p104) specifies that income obtained from alumni fundraising , earmarked for long-term general support or to

be spent in the here- and –now , is a first class source .

- **Income from Campus Operations:** The University also collects a small amount of funds from various other operational works such as –property leasing, printing, photo copy etc. This also considered as an alternative source of income in higher education.
- **Other Sources of Income :** Income from university press, rent from university land, building, infrastructure, sale of university publications, self financing course are also considered as sources of income in higher education.

7.CONCLUSION

India's higher education system is the third largest higher education system in the world, next to China and the United State. In 2020, total public spending on college and university education in China amounted to approximately 1.4 trillion Yuan. In India, the allocation for higher education has gone down from Rs39, 466 crore in 2020-2021 to 38,350 crore for upcoming year. After Independence, the Central and State government of India developed different agencies through which they provide finance in higher education for raising their standard. Indian higher education system is still facing challenges with its relatively low Gross Enrolment Ratio, quality infrastructure etc. The New Education Policy 2020 recommended to increasing public spending on education to 6% of GDP and also gives emphasized on holistic and multidisciplinary education for the students. India is considered as young country because of its youth population of 70 cores. Therefore, the Government need to invest more finance to raising the standard and quality higher education to produced competent, well-rounded and thoughtful individuals.

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