

# Funding by University Grants Commission

Shiva Mishra

We want that education by which character is formed, strength of mind is increased, the intellect is expanded and by which one can stand on one's own feet.  
Education is the manifestation of the perfection already in man  
(Swami Vivekanand).

The past is our foundation, the present is our material, the future our aim and summit.  
Each must have its due and natural place in a national system of education  
(Aurobindo)

Though riddled with explosion in the growth of population and problems of economic poverty affecting one third of the people, modern India is still set to forge a bright future. Indian ancient records are testimony of our great knowledge and high education.

In earlier days the concept was that if one wants to get good education in a *Gurukul*<sup>1</sup>, then he/she should have blessings of the *Guru*<sup>2</sup> and *Saraswati Devi*, the Goddess of knowledge but these days one needs blessings of *Lakshmi Devi* also, the Goddess of money. Until, the modern *Gurukul* i.e. university has money, it is unable to provide new, innovative ideas and good facilities. In this paper, my objective is to analyse how and on what basis the University Grants Commission (UGC), the Commission set up by the Government for giving grants to institutions, provides grants to universities, institutions deemed to be universities and colleges.

## Growth of higher education

The early *Gurukul* system of education flourished in the *Vedic* and *upnishadic* periods, but a huge university came to be set up at Takshashila in the sixth Century B C. The two other universities, namely Nalanda and Vikramshila were established in the fourth and fifth Centuries A D, respectively.

The modern higher education system is only 140 years old. When the first three universities were set up in 1857 under the British Rule, the thrust of development was mainly on liberal arts education. The rate of development was slow as in a period of 90 years only 18 universities were set up in the country. Most of these followed the model of the three leading universities at Bombay, Calcutta and Madras. When India became independent, it had only 20 universities and 500 colleges located in different parts of the country.

Table 1: Growth in higher education in India

Institutions	1950-51	1990-91	2001-02
Universities*	30	177	253
Colleges	750	7,346	13,150
Enrolment (000's)	263	4,425	8,821
Teachers (000's)	24	272	427

Source: UGC Annual Report, 2001-02 and UGC brochure, produced by UGC.

\* includes deemed universities but excludes other institutions.

<sup>1</sup> The home of the teacher as the university.

<sup>2</sup> The teacher.

### Governance and Management

Education in India is coordinated by several agencies. While the university system falls within the jurisdiction of the UGC, professional institutions are coordinated by different bodies. The All India Council for Technical Education (AICTE) for coordination of technical and management education institutions, others are Medical Council of India (MCI)<sup>3</sup> which inspects and visits to maintain proper standard of medical education, permission to start new medical college and new courses etc. Indian Council of Medical Research (ICMR) for formulation, coordination and promotion of biomedical research, Indian Council of Agricultural Research (ICAR) which plans, conducts and promotes research, education and training related to agriculture area and other such organisations.

Another coordinating agency is Association of Indian Universities (AIU). This board acquired legal status with its registration in 1967 as a Society under the Societies Registration Act.<sup>4</sup> All the universities and other equivalent institutions are members of the AIU. The AIU has no executive powers, but plays an important role as an agency for sharing information and cooperation in the field of education, culture, sports and allied areas. In addition, as an advisor both to the government and/or UGC and universities.

### Organisation of the UGC

The first attempt to formulate a national system of education came in 1944, when Sargeant report recommended formation of a University Grants Committee to oversee the works of the three Central Universities of Banaras, Aligarh, and Delhi. In 1947, the Committee was entrusted with the responsibility of dealing with all the then existing universities. Following the recommendations of the University Education Commission set up in 1948 and headed by Dr S Radhakrishnan; in 1952, the Union Government decided that all cases pertaining to the allocation of grants-in aid from public funds to the universities and institutions of higher learning might be referred to the University Grants Commission. Consequently, the University Grants Commission (UGC) was formally inaugurated by late Maulana Abul Kalam Azad, the then Minister of Education, Human Resources and Scientific Research on 28 December 1953.<sup>5</sup>

### The UGC Act, 1956

The UGC is a statutory organisation established under an act of Parliament in 1956, for the coordination, determination and maintenance of standards of university education. An amendment is under consideration of the Government of India to meet the emerging challenges.

According to the Section 2(f) of this Act, a University is recognised by the UGC, which is established or incorporated by or under a Central Act, a Provincial Act or a State Act and may include any such institute in consultation with the University concerned.

### Powers and Functions of the Commission

The Commission shall take all steps for the promotion and co-ordination of University education, determination and maintenance of standards of teaching, examination and research in Universities, in consultation with universities or other bodies concerned. For this, UGC may inquire into the financial needs of universities, allocate grants from its Fund to universities for their maintenance, development and other general and specified purposes. UGC may recommend to any university for necessary improvement in education and advise the action to be taken for implementing such recommendation. It can also advise the Central or any State Government regarding grants to universities or any other issue.

### Regulation of fees and prohibition of donations in certain cases

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<sup>3</sup> [http://www.mciindia.org/know/mci/mci\\_activities.htm](http://www.mciindia.org/know/mci/mci_activities.htm)

<sup>4</sup> <http://www.aiuweb.org/index.htm>

<sup>5</sup> <http://www.ugc.ac.in/genesis.htm>

If the UGC is satisfied that it is necessary so to do in the public interest, after consultation with the related University, it may specify by regulation the matters in respect of which fees may be charged, and the scale of fees according to which fees shall be charged. According to this regulation, no college can charge fees in respect of any other matter other than specified in such regulations and in excess of the scale of fees specified here. No college can accept any payment or gift, other than fee, either directly or indirectly.

**12(B)** “No grant shall be given by the Central Government, the Commission, or any other organisation receiving any funds from the Central Government, to a university which is established after the commencement of the UGC (Amendment) Act, 1972, unless the Commission has, after satisfying itself as to such matters as may be prescribed, declared such university to be fit for receiving grant.”<sup>6</sup>

### Inspection

The UGC may cause an inspection of any department of a university for ascertaining the financial needs, standard of teaching, examination and research, after consultation with the university. The UGC shall tell the University the date of inspection and shall communicate its results of inspection. The University is entitled to be associated with the inspection. The UGC may recommend the action to be taken to the University.

### Consequences of failure on part of universities

If any university fails within a reasonable time to comply with any recommendations made by UGC, then the UGC after taking into consideration the cause if any shown by the University, may withhold from the University the grants proposed to be made out of the fund. But actually, the UGC is very lenient so it does not stop the grants to universities.

### Right to confer degrees

The right of conferring or granting degrees shall be exercised only by a University established or incorporated by or under a Central Act, a Provincial Act or a State Act or an institution deemed to be a University under section 3 or an institution specially empowered by an Act of Parliament to confer or grant, any degrees.

### Fitness for Grant

In exercise of the powers of Section 12-B of the Act, the Central Government has made few rules. These rules are called UGC (fitness of certain universities for Grants) Rules, 1974. These rules should apply to every university established after the commencement of the UGC (Amendment) Act, 1972, other than, an agricultural university, a university established against the –advise of the Commission for imparting, exclusively, technological or medical education and an institution recognised by the UGC, under section 2(f) of the Act, on or after the Amendment Act, 1972 came into force.

Those universities whom these rules apply shall not be declared to be fit to receive grants from the Central Government or the UGC unless the UGC is satisfied that<sup>7</sup> the University is established under the Central Act. In case of other university its establishment is justified if it has or shall have special features for augmenting the existing academic resources, apart from affiliating university, it is multifaculty having adequate services like, qualified teaching staff, good library and equipped laboratory, health centre and other such facilities. The university has powers to provide instruction through correspondence courses and to declare a college, department, centre or campus as an autonomous college, department, centre or campus respectively. Every teaching department, centre, discipline in the University has a provision for a minimum staff of one professor, two Readers and an adequate number of lecturers alongwith the necessary supporting staff.

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<sup>6</sup> Quoted from the UGC Act, 1956

<sup>7</sup> Ibid.

## Organisational Structure of UGC

The Commission consists of Chairman, Vice-Chairman and ten other members appointed/nominated by the Central Government. During the reporting year, two new Commission Members have been appointed by the M/HRD, Government of India. The other members are Secretary, Additional Secretary, Joint Secretary, Deputy Secretary, Under Secretary/Education Officer, Assistants/Clerks and other employees.

## Regional Offices

The UGC has established its own Regional Offices at Hyderabad, Pune, Bhopal, Ghaziabad, Calcutta, Guwahati and Bangalore for implementation of various schemes/programmes relating to college sector.<sup>8</sup>

## Types of Institutions of Higher Education

Table 2: Number of Institutions

Types of Institutions	Number of Institutions
Central Universities	18*
State Universities	178**
Institutions deemed to be universities	52
Institutions established through State Legislation	05
Institute of National Importance	12
Colleges	13,150***

Source: Annual Report, UGC, 2001-2002.

\* Includes Indira Gandhi National Open University and Central Agricultural University, Imphal.

\*\* One State University, University of Roorkee has been up-graded to Indian Institute of Technology (IIT) and includes under Institute of National Importance

\*\*\* Provisional

Out of 196 universities (Central and State), there are 29 Agricultural, two Veterinary, six Medical and six Technological Universities. Out of State Universities, 37 universities have not been declared eligible to receive Central Assistance under Section 12(B) of the UGC Act, as these are Agricultural/Veterinary, Medical including Ayurvedic, Open Universities and institutes established under State Legislature Act and are being funded by the concerned Central/ State Ministry or Central/ State Statutory Bodies.

## Role of the UGC

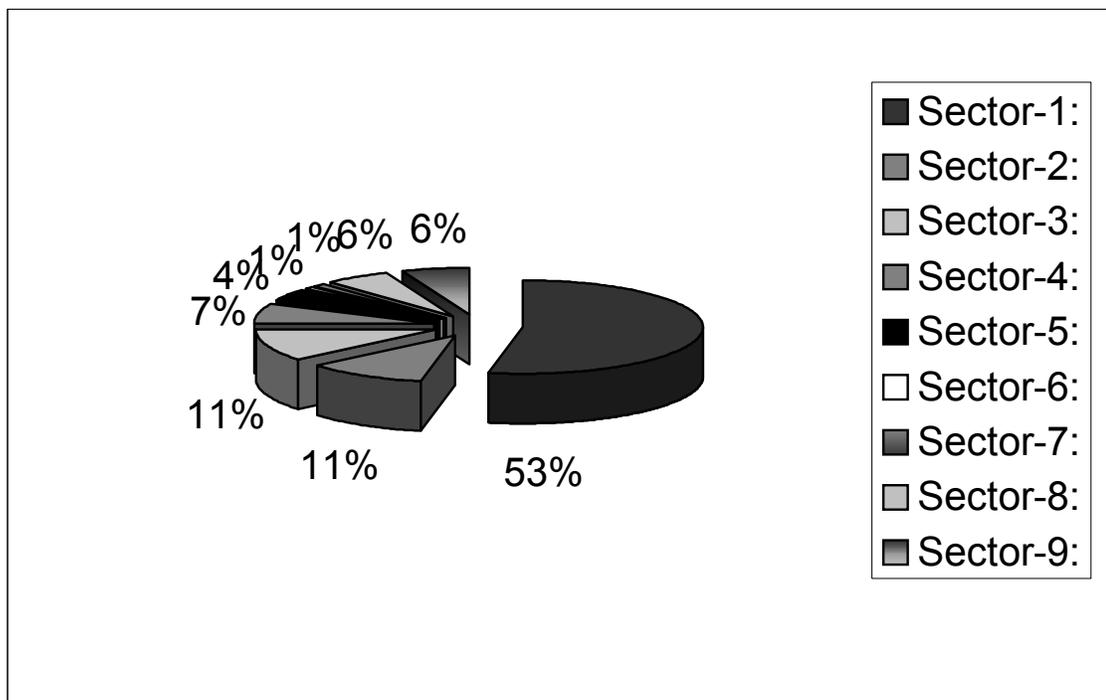
Section 12 of the UGC Act provides that the Commission shall in consultation with the concerned universities, take all such steps as it may think fit for the promotion and coordination of university education and for the maintenance of standards in teaching, examination and research. For the purpose of performing its functions, the Commission may:

- Allocate and disburse, out of the Fund of the Commission, grants to universities and colleges for the maintenance and development.
- Advises Central Government, state Governments and Institutions of higher learning on the measure necessary for the promotion of university education.
- Make Rules and Regulations consistent with the Act, etc.

<sup>8</sup> Annual Report, 2001-2002, UGC  
Centre for Civil Society

## Funds for Higher Education

The primary duty of any government is to fully support the entire education sector for its infrastructure and recurring costs. Higher education requires larger amounts of funding not only to provide good knowledge but to give country great architects of society also. Plan grants released (sector-wise) during Ninth Plan period 1997-98 to 2001-02.



Sector-1	Development of Universities and Colleges	53%
Sector-2	Promotion of Relevance	11%
Sector-3	Promotion of Excellence and Quality	11%
Sector-4	Inter-University Resources for Promotion of Quality	7%
Sector-5	Enhancing Access and Equity	4%
Sector-6	Improvement of Management of Education	1%
Sector-7	Strengthening of UGC Administration (Establishment)	1%
Sector-8	Programme to Strengthen Scientific Research (SACC)	6%
Sector-9:	Engineering and Technology	6%

Source: Tenth Plan of UGC, Pamphlet

## UGC and ninth and tenth Five Year Plans

The ninth plan policy imperatives focussed on

- Access and equity
- Relevance and quality of education
- Universities and social change
- The delivery systems, the institutional and organisational structures and management
- Funding which constitutes the necessary resources underpinning for development.

### The development objectives of tenth plan are<sup>9</sup>

- The relevance of higher education
- Quality, evaluation and accreditation
- Research and development
- Outreach activities in business and the community and lifelong learning
- The knowledge and use of the new information and communication technologies
- Management and financing
- Export of higher education, and reorientation of international co-operation

### Kind of Grants Available

There are two kinds of grants for universities<sup>10</sup>, institutions deemed to be universities and colleges, they are:

- Development (Plan) Grants
- Maintenance (Non-Plan) Grants

Central universities and colleges affiliated to them and institutions deemed to be university receive both the plan and non-plan grants. However, the state universities and their affiliated colleges receive only plan grants.

The objective of providing Plan assistance is not only to improve the infrastructure and basic facilities in the universities so as to achieve at least the threshold level but also to develop excellence in those who are already ahead. These are not intended to supplement the requirements under maintenance grant.

The UGC provides Non-Plan assistance to universities to meet the recurring expenditure on salaries of non-teaching and teaching staff and for maintenance of laboratories, libraries, buildings, as also for obligatory payments such as taxes, telephone bills, electricity and other purposes. Development assistance is utilised for consolidation of existing infrastructure and for modernising teaching, research and administration and to meet the changing demands of the society.

### Funding for Central Universities

There is difference in the funding pattern of central universities, institutions deemed to be universities and colleges of state universities. We can look at the pattern of them separately. The whole funding is divided into two heads, i.e., Maintenance and Development Grants.

### Maintenance Grant

The exact amount of maintenance grant payable to central universities and institutions deemed to be universities is determined on "covering of deficit" basis, i.e., the internal receipt is deducted out of the actual expenditure incurred in any year. No institution can build up any reserve out of the maintenance grant paid to it. This grant increases incrementally for each institution every year, with the size of increment varying from institution to institution.

### Nature and structure of Maintenance Grants

In earlier stages, only basic infrastructural expenditures of universities were included in this head but with the development of universities' academic, research and other programmes, many other activities also came under this head. The increase in salary, driving and other allowances results in substantial increase in the maintenance grant. Besides there are increase in tariffs, costs and prices also. The increase in the cost of maintenance of equipment, particularly imported equipment, and purchase of journals is very high. In the case of many universities, maintenance of buildings more than ten years old and replacement of old equipments require special support.

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<sup>9</sup> X Plan of University Grants Commission, brochure, produced by UGC.

<sup>10</sup> UGC Annual Report, 2001-2002.

## Policy

Each central university and institutions deemed to be university has a Finance Committee comprising representatives of the university, local educationists and a nominee each from UGC and the Ministry of Human Resources Development (HRD) (usually the Financial Advisor). In the case of central university, it is headed by Vice Chancellor. It is responsible for the preparation of maintenance and development budget.<sup>11</sup>

The prevailing practice is that all items of recurring expenditure in a current plan period and sanctioned by UGC on the basis of approved norms are included at the end of the plan period in the non-plan sector under same norms and patterns.

## Pattern

The increase in the maintenance grant in last few years for the central universities is shown in the table:

**Table 3: Maintenance Grants to central universities, in Rs crore**

<b>Year of grant</b>	<b>Number of universities</b>	<b>Amount of grant</b>
1981-82	7	36.6
1991-92	9	161.4
1996-97	13	304.38
2001-02	14*	598.69

*Source: Justice Punnayya Committee Report, 1992-93; Annual Report, UGC, 1996-97 and 2001-02*

\* out of 18 central universities, only 14 universities have been allocated maintenance grants as the Indira Gandhi National Open University (IGNOU), New Delhi and Central Agricultural University, Imphal are being directly funded by the Ministry of HRD and Ministry of Agriculture respectively. Two other universities, Mahatma Gandhi Antarrashtriya Hindi Vishwavidyalaya, Warda and Maulana Azad National Urdu University, Hyderabad were established during the Ninth Plan period only.

## Practice

For maintenance grants, the university prepares the budget and revised budget in September-October and get them duly approved by the Finance Committee and Executive Council. The representative of UGC and the Financial Advisor ensure that the proposals included in a budget are in accordance with the guidelines on the subject. The maintenance grants are subject to negotiations between the UGC, the HRD Ministry and Planning Department.

## Development Grants

These are sanctioned to universities for their expansion activities and for developing new programmes. As the universities develop, their maintenance grants but size of development grants does not increase proportionately.

## Nature and structure of Development Grants

Plan grants are essential in the nature of ad-hoc grant provided once in five years by UGC to the central universities on the basis of negotiations. The UGC while providing grants to individual central universities takes into consideration their special needs and circumstances. After approval of the five year plans of the universities, the UGC determines their annual programmes and the release of funds.

The Plan assistance is provided for both teaching and non-teaching staff (only above the pay scale of Rs 2200 to Rs 4000-unrevised/ Rs 8000 to Rs 13,500-revised). It is for the laboratories, special office equipments, construction of new buildings like, academic, administrative, staff quarters, hostels, guest houses and major repairs/renovations of old buildings. Plan grants are also for the Campus development

<sup>11</sup> UGC funding of institutions of higher education, Punnayya Committee Report, 1992-93  
*Centre for Civil Society*

(construction of roads, electricity, water and sewage lines, plantation etc), basic medical facilities and student amenities (canteen, recreation room, counselling centres for students). Apart from this, universities having engineering/technology departments receive separate grant available to UGC from All India Council of Technical Education (AICTE).

### Procedure

In the case of development grants, UGC analyses past performance of central universities, their lines of development and needs. UGC also estimates the availability of resources based on allocation made in the past. Then UGC formulates its proposals for the plan period, which includes plan programmes of universities and presents them to government. These proposals are then finalised after detailed discussions between UGC and government. Then they go before the Planning Commission for final allocation. After indicating the provisional allocation of funds of each of the central university, UGC calls for detailed proposals. The plans are scrutinised by expert committees at the head quarters after holding discussions with universities.

### Pattern

The development grants have comparatively less recurring items of expenditure than non-plan grants. As on 1991-92 the annual plan grants of central universities represent approximately 30% of the total maintenance grants to the universities.

**Table 4: Annual plan grants to central universities, in crore Rs**

Year of grant	Number of universities	Amount of grant
1991-92	9	47.97
1996-97	13	40.55
2001-02	16*	81.31

*Source: Justice Punnayya Committee Report, 1992-93; Annual Report, UGC, 1996-97 and 2001-02*

\* Out of 18 central universities, 16 universities are allocated plan grants, while two other universities namely, IGNOU, New Delhi and Central Agricultural University, Imphal are being funded by the Ministry of HRD and Ministry of Agriculture respectively.

### Funding for Colleges affiliated to Delhi and Banaras Hindu University

Earlier Delhi Colleges used to get grant directly from Central Government but later came under UGC's support. The Delhi Colleges broadly fall into three categories:

- Colleges established by Educational or Charitable Trusts.
- Colleges maintained by Delhi Administration, which acts as trust for them.
- Colleges maintained by Delhi University.

The colleges maintained by university get 100% deficit maintenance grant while the day colleges run by trusts get 95% deficit grants. Besides maintenance grants, Delhi Colleges also get plan or development grants. Delhi University is an affiliating university so all the grant goes to its colleges and nothing as such goes to the University as in the case of central universities. UGC gives funds to 54 colleges of Delhi University. There are four colleges affiliated to Banaras Hindu University and UGC provides development and maintenance grants for these colleges.

### Funding for Institutions Deemed to be Universities

Section 3 of the UGC Act provides that the Central Government may on the advice of the Commission, by notification in the official Gazette, declare any institution for higher education other than a university, which is doing very higher standards in a specific, as an Institution Deemed to be University. Such a declaration entitles the institution of all support as provided for in the UGC Act. The institution also has

the power to confer degrees and develop and innovate academic programmes on its own.<sup>12</sup> Such institutions enjoy the academic status and privileges of a university and are able to strengthen their activities in the field of their specialisation, rather than becoming a multi-faculty university of a general type. These institutions are not patterned on the conventional university system; in spite, they achieve recognition through excellence in their academic pursuits and innovative practices. These institutions need large measure of academic autonomy and functional freedom.

### Uniqueness

All these institutions differ from one another considerably. Uniqueness is their source of strength and their very status is designed to protect this. However, UGC insists upon a corpus of academic staff with high qualifications and a minimum level of teaching, research and extension programmes to qualify for availing the status. Subject to these basic features, each institution develops its own programmes and activities.

### Procedure

UGC has given guidelines for the establishment for institutions deemed to be universities. When an institution feels it is fulfilling the criterion for deemed to be university, then it applies for its recognition to the Ministry of HRD and then the Ministry consults UGC. After that UGC sets up a committee which consists of director of the institution, representative from the Ministry and UGC, sometimes state representative of that state in which that institution is established and few academicians. When this committee passes the application of the concerned institution then it becomes a deemed to be university. According to the size of the institution, UGC give grants to them. The old deemed universities are financed by UGC but the new ones, which are coming into existence, are mainly self-financed.<sup>13</sup>

### Financial Support

Not all these institutions are fully dependent upon UGC for financial support. Some of them are funded by other ministries, and agencies of central government, state governments and trusts. Many of these are supported by private sources. Therefore, the assistance given to deemed universities varies considerably. According to the Annual Report, 2001-02, 30 deemed universities get plan and 24 get non-plan assistance but according to the latest report of state-wise list of deemed universities as on 12 November 2002, there are 12 deemed universities who are receiving both development and maintenance grants from UGC and eight deemed universities who are getting development grants only.

The maintenance grants to these institutions are determined on the basis of deficit after taking into account income from other sources. The development grants are ad-hoc grants, allocated to each institution based upon UGC's appreciation of its programmes and requirements.

### Pattern

The number and grants paid to Deemed to be Universities in last few years is shown in following table:

**Table 5: Grants given to Deemed to be Universities, in Rs crore**

Year of grant	Number of institutions		Amount of grant	
	Non-plan	Plan	Non-plan	Plan
1991-92	10	15	33.80	5.69
1996-97	21	28	32.29	8.61
2001-02	24	30	65.67	20.87

*Source: Justice Punnayya Committee Report, 1992-93; Annual Report, UGC, 1996-97 and 2001-02*

<sup>12</sup> UGC funding of institutions of higher education, Justice Punnayya Committee Report, 1992-93

<sup>13</sup> Information provided by Gyan Chand, Assistant, Co-ordination, Policy and Planning (CPP-I) on 31 July 2003.

Out of 52 institutions deemed to be universities, only few of them grants from UGC, as others are self-financed. Gyan Chand, Assistant, CPP-I, told me that according to the latest data, there are 82 deemed to be universities; the latest one is National Institute of Technology (NIT), Durgapur, West Bengal.

### Funding for State Universities

According to Section 12 (B) of the UGC Act, new State Universities established after 17 June 1972, shall not be eligible to receive any grant from the Central Government, UGC, or any other organisation receiving funds from the State Government, unless the Commission satisfies itself as per the prescribed norms and procedures, that such a university is fit to receive grants. As on 31 March 2002, there were 178 universities, recognised by the UGC.

### Development grant to State Universities

In the year 2001-02, the UGC had been making budgetary allocation of plan grants to 110 state universities excluding medical and agricultural universities. Under this head, these universities get grants on those infrastructural facilities on which grants are not available to them from State Governments or other bodies. During the year 2001-02, plan grants was paid to 123 eligible state universities.

The assistance is being given for staff, equipment, books and journals, buildings, campus development, health centres, student amenities etc. Apart from these development grants, state universities are also being provided additional grants over and above the ninth plan development assistance. These grants are being provided under different schemes like, Jubilee Grants, special one time grant for upgrading existing laboratories and libraries, development assistance to PG centres of state universities, day-care centres in universities, visiting professors/fellows etc. The grants given in last few years is as under:

**Table 5: Plan grants released to state universities, in Rs crore**

Year of grant	Number of universities	Amount of grant
1996-97	107	73
2001-02	123	175

*Source: Annual Report, UGC, 1996-97 and 2001-02*

### Funding for Colleges

Development of colleges is an important area from the point of view of maintenance of standards and equalisation of educational opportunities for disadvantaged and differently abled section of society, because colleges are responsible in a major way for under-graduate education and to a great extent account for post-graduate education. With a view to removing disparities and regional imbalances, special grants are also being provided to the colleges catering to the needs of Scheduled Castes and Scheduled Tribes, women students and for intensive development of colleges situated in backward/rural/border areas.

UGC gives plan and non-plan grants to central universities and plan grants to state universities but these grants do not go to affiliated colleges of the universities, in spite, they go for university campus only. For affiliated colleges UGC gives separate grant. Therefore, for affiliated colleges to state universities, UGC provides maintenance grants.<sup>14</sup>

There are nearly 13,150 colleges in the country. Out of which, only 5,238 colleges are recognised by the UGC under Section 2(f) of the UGC Act 1956. Out of 5,238, 5,013 colleges are eligible to receive central assistance under Section 12 (B) of the UGC Act, while in 1996-97 only 4815 colleges were eligible

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<sup>14</sup> Information provided by P S Rajput, Director, Administration, UGC on 31 July 2003.  
*Centre for Civil Society*

to receive grants from UGC. The quantum of grant is worked out on the basis of various parameters such as student enrolment, faculty strength etc.<sup>15</sup>

The UGC has decentralised its functioning by opening seven regional offices in the country since 1994 for easy access and speedy release of grants under various schemes/programmes relating to college sector.

Grants to all the eligible colleges all over the country are being disbursed by these UGC regional offices under the following schemes/programmes being dealt with:

- College development programmes (UG/PG)
- Faculty development programme (Teacher Fellowships)
- Construction of hostels for women (Special Scheme)
- Minor research projects (for college teachers)
- Conferences, seminars and symposia
- Autonomous colleges (release of grants only)
- Revival of old reputed colleges (on time special grant)
- Facilities for disadvantaged groups (visually handicapped teachers)
- College science improvement programme (COSIP)
- College humanities and social science improvement programme (COHSSIP)

**Table 6: plan grants inclusive of development grants to colleges, in Rs crore**

Year of grant	Amount of grant
1996-97	69.16
2001-02	142.38

*Source: Annual Report, UGC, 1996-97 and 2001-02*

### Autonomous Colleges

The scheme of autonomous colleges was formulated by the UGC in the fourth five year plan (1969-73). These colleges themselves prescribe their curriculum and conduct the evaluation of their students through a system of continuous evaluation. An autonomous college has freedom to:

- Determine and prescribe its own course;
- Prescribe rules for admission in consonance with the reservation policy of the State Government;
- Evolve methods of assessment of student work, the conduct of examination, and notification of results;
- Use of modern tools of education technology to achieve higher standard and greater creativity.

### Financial Assistance

The Commission provides financial assistance under this scheme to autonomous colleges to meet their additional and special needs. The normal financial assistance for undergraduate colleges having single faculty has been provided to the extent of Rs four lac per annum and for multi faculty colleges Rs six lac per annum. For both undergraduate and postgraduate level colleges, the assistance is Rs five lac per annum for single faculty colleges and Rs eight lac per annum for multi faculty colleges. This is available for those colleges, which are offering not fewer than six programmes of which two may be at postgraduate level. The financial support to these colleges is divided into two parts:

1. 50% of the grant is allowed to be used for items as indicated in the guidelines.
2. For remaining 50% grant, the college will submit a proposal to the commission for approval, indicating their priorities and innovations proposed and specific requirements.

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<sup>15</sup> Annual Report, UGC, 2001-02  
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### Conferment of Autonomous College

Autonomous status covers only undergraduate and postgraduate programmes in colleges. The parent university will confer the status of autonomy upon a college, which is permanently affiliated, with the concurrence of the State Government and the UGC. The autonomy status will be granted initially for a period of five years. The University will review the functioning of autonomy in the college periodically with the help of a committee constituted for the purpose. The UGC regional offices are providing grants to these colleges.

At present there are 130 autonomous colleges spread over 29 universities of eight states. At the starting of the ninth five year plan there were 119 colleges while at the end of the Plan, there were 130 colleges. During ninth plan period Rs 20.09 crore were released by the UGC regional offices.

### Powers of the University

The universities in India, whether State or Central, enjoy almost similar power structure.<sup>16</sup>

Their powers are defined by and derived from the acts of their incorporation. The affiliating universities have twin responsibilities of

- Establishing and administering their own campuses of teaching and research (University Departments);
- Managing and supervising their affiliated colleges/institutes.

The major focus is teaching and research. The powers of teaching include the framing of syllabi, conduct and evaluation of examinations and declaration of results and the award of degrees. All the activities incidental to teaching (libraries, laboratories, classes, faculties, hostels etc.) are also brought under the purview of teaching. The powers of research include the establishment and maintenance of research laboratories, provision of research fellowships and faculties for carrying out research leading to research degrees.

The affiliating universities also have power of affiliating colleges to the University under prescribed conditions and to withdraw affiliation under situation of violation or non-compliance with such prescribed conditions. For the affiliation, first colleges have to seek the Government approval as a pre-condition and then approach the University for the grant of affiliation. In spite of the University having the power to inspect and monitor the infra-structural facilities of the affiliated colleges from time to time, disaffiliation and de-recognition of a college is hardly restored to even as the last resort.

### Accountability

Universities are creation of legislatures and they are by and large financed from public funds. They have therefore to be accountable to the concerned legislatures and governments. They have to render a report, of what they have done during the specified period. Henceforth, the universities have to send a report, on the expenditure incurred against the allocated budget.<sup>17</sup> The universities are required to submit Utilisation Certificate mentioning that the fund has been utilised by the university as per all the terms and conditions.

### Inspection by UGC

For the review and evaluation of the universities, the UGC sends review committees to the universities and deemed universities periodically. UGC sends its committees to the central universities and deemed universities. For state universities, state governments send review committees because these governments provide maintenance grants, which constitute a large part of the grants to state universities. This is the best way to watch whether the funds are going into right channel or not.

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<sup>16</sup> The content under this heading has been taken from "Report of the UGC Committee towards new educational management".

<sup>17</sup> Information given by J K Kanojia, Public Relation Officer, UGC on 27 June 2003.  
*Centre for Civil Society*

### Assessment criteria for the institutional performance

The success of the educational institutions is judged by the achievements of its students and the faculty. Higher their achievements greater will be the success of the institution. The success of an institution could also be judged by its image in the outside world. There are internal matters also for the assessment of any institution.<sup>18</sup>

The internal matters may relate to students like their admission, examination, achievements in sports and games, cultural activities etc. One of the assessment criteria could be the number of application and selection from outside the University for faculty. The number of working days, funds raised by the institution, development programmes could also be the criteria. The other evaluation factors are whether the institution has got all the necessary infrastructure in terms of men and materials, whether the library and laboratories are fully equipped or not, whether the teachers are duly qualified or not and other such points.

### Problems on part of universities

There are College Development Councils (CDC) in central and state universities to solve the problems of the universities. These are set up by universities itself. If the affiliated colleges of universities have any problem, then they approach to CDC and then CDC tries to solve their problems. If the problems are related to affiliating university, then CDC approaches to the University and if they have financial problems then it goes to UGC. However, for Delhi Colleges there is Dean of College and not CDC. UGC has set up its regional offices also who look after the problems of the universities of concerned region.<sup>19</sup>

### Other issues related to universities and the extent of UGC

There are other issues like, fee, library and laboratory charges, syllabus, canteen, electricity and others, which are a bit confusing like who regulates and reviews it.

Shakti Dutt, Section Officer, UGC told me that UGC has given guidelines for the syllabus i.e. the basic outline for what should be in the syllabus and all the universities including central and state follow these guidelines. However, whatever changes take place in the syllabus is done by universities itself but under the limit of guidelines of UGC.

Fee is an issue, which always draws the attention of the public. For higher education, if fee increases then people protest it because there are students from poor background also. According to the UGC Act, 1956 UGC decides the fee structure in universities. The central universities follow the instructions of UGC but its up to state universities that they follow it or not.

In other cases also, the UGC can enforce its will on central universities but for state universities it is not obligatory. They can charge fee according to their will but under a limit as UGC looks after the upper limit of the fee. For other charges like, library, laboratory and electricity charges, UGC keep checks central universities. State universities work under the eyes of state governments.

People are sometimes keen to know that to what extent UGC intervenes the day to day working of universities like does it interfere that how they are building their canteen, how they are tackling problems which are there because they are in that region like Bihar where there are strikes and less working days than mentioned by UGC and problems of Eastern States. As far as canteen issue is concerned, it comes under grants for development so UGC gives grants for it. However, for the regional problems, the university is facing, UGC is not concerned as it is only for providing grants. There are other instances when there are complaints about the checking of the answer sheets. But not all these are the concerns of UGC.

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<sup>18</sup> The content has been taken from "Report of the UGC Committee towards new educational management".

<sup>19</sup> Information provided by Madhu, Assistant, Central University Section on 31 July, 2003.  
*Centre for Civil Society*

### Nature of Assistance for tenth plan period

The UGC has decided that general development assistance to the individual university would be available during the tenth plan on the basis of the outlays determined and communicated to the universities. Under development assistance, for the two-third of the outlays, UGC will assist each eligible university for both teaching and non-teaching staff, equipments, books and journals, campus development, health centre, student amenities, jubilee grants and others. During other plan periods the UGC assistance was for various building projects was on the sharing basis except for girls hostel and library buildings where it was 100%. But UGC found that these projects were not complete on the time due to lack of fund on part of university, hence under tenth plan development schemes, the Commission has decided to provide 100% assistance on all types of building projects.

In order to provide grants to universities when required, it has been decided to simplify the existing procedure of releasing grants. After the proposal of the University is finalised the first instalment of 20% of allocation may be released for books, journals, and equipments. The second and subsequent instalments of grants will be released on receipt of progress report, statement of expenditure/utilisation certificate, completion certificate, statement of income and expenditure of previous grants.

A mid-term review committee, consisting of two or three members, may be sent to all the universities in the year 2004-05, to evaluate the performance.<sup>20</sup>

### Suggestions

1. The grants given by UGC should be more performance based. There should be some threat for universities to perform. There is a provision in UGC Act that if a university is not following the recommendations of the UGC then it can cut grants of the University but generally, UGC is very lenient and does not stop grants of the universities. But to make universities perform, UGC should exercise this power sometime so that universities do not take this power of the UGC for granted.
2. There should be some relation between results of the review committees and the grants to the universities. Grants given to them should be based on what committee has recommended and it should not be mere formality to send committee. If the committee suggests that institution is not following the rules and norms then UGC should take steps in that regard.
3. For more transparency in the system, there could be a third party as the review committee to lessen the political influence in the functioning because sometime people do not trust government committees.
4. The fee structure of the universities should be changed as it has not been changed for years. The fees constitute nothing when looked at the expenditure side. Like there were few instances of fees increase on part of state universities of Punjab and Guwahati Universities in last month. Fee has been increased from around Rs 50 in Punjab, so such steps should be taken. Sometimes on few fee counters fee is Rs two or Rs five for filling a form like form for taking provisional certificate or taking transfer certificates. So, these kind of fees could be increased logically as even students would not mind paying Rs 10 because value of a rupee has decreased in last 50 years and today people might not have two rupee coin but they keep ten rupee note.
5. The universities should try to generate income internally by tuition, admission and examination fees, hostel and mess fees and other such charges.
6. While increasing the charges of different services, new fellowship and scholarship programmes could be introduced.
7. The number of academic and non-academic staff should be cut when not required because it becomes an additional load on the maintenance grants. Like when government starts one new scheme then it creates few posts for that but even after the completion of that scheme those created posts remain in existence sometimes on humanitarian ground and sometimes because of

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<sup>20</sup> This content has been taken from the "Guidelines for general assistance to central, deemed and state universities during the X plan 2002-2007".  
*Centre for Civil Society*

- some local issue and UGC bears its burden so it should be avoided and UGC should take some strong steps to remove these unnecessary posts.
8. When universities generate funds internally, then it get adjusted against payable maintenance grants and this retards universities from savings. Hence, universities should be allowed to retain these savings.
  9. The universities should have more power regarding the withdrawal of affiliation of colleges as they know better about their colleges.
  10. There should be some incentive schemes for the universities who are performing well. Because rewards are as necessary as punishments to keep the spirit up of the universities and institutions.

### Concluding Remarks

The University Grants Commission is the apex body for providing grants to the universities. As demand for higher education is increasing day by day because of growing population and resources are limited so UGC should try to make universities find few own resource. There are few proposals to include cost concept like academic cost and unit cost per student, so that those universities who have less cost could get reward and who have more cost could try to reduce it. However, these are only proposals and not implemented yet. UGC should try to include these new concepts and make universities responsible for their acts.

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