"A realistic approach to the financing of higher education has yet to take shape in India (Uttar Pradesh), although the inherent limitations of the existing pattern have been noted time to time. Some alternative funding strategies have been recommended by experts in the field which would not only help in generating more resources but also make the system less regressive...... unless some steps are taken to devise a bold and new strategy for financing higher education in the country (Uttar Pradesh), the dream of transforming the system into "one vibrant with a commitment to development and change" or "dynamic as never before" will remain unfulfilled."

§ K.K. Balchander

"Financing Higher Education in India - Squaring the Triangle of Quantity, Quality and Equality", University News, October 26, 1992, pp. 5-6.
A research-study should essentially be finding-oriented in approach and conclusive in nature. As far as the findings of a study are concerned they provide the base to test the hypothesis of it (i.e., the hypothesis may be accepted or rejected on the basis of the findings of the study). The present study has also got a set of hypothesis contained in the Chapter First, under sub-section 1.4. The acceptance or rejection of the hypotheses, subject to the findings, are as follows:

1. MAIN FINDINGS OF THE STUDY:

i) The financing picture of the general higher education in Uttar Pradesh has got the similar pattern i.e., 'resource-crunh' and 'state-dependence' as has been with other Indian state universities since the Fourth Plan. Hence, the hypothesis no. 1 is accepted as per this finding;

ii) It is so because the sources of financing do not differ significantly as compared to other Indian State Universities under the period of reference. This is also because the main source of finance relate to the grants/or expenditure from the state governments and the University Grants Commission. Thus, the
hypothesis no. 2 is also accepted as per the above finding;

iii) The higher education in Uttar Pradesh is dependent on government finances to the tune of 91.00 percent as is found in the Annual Plan of 1990-91; it was only 42.60 percent in the second year i.e., 1970-71 of the Fourth Plan. This proves that the higher educational sub-sector of Uttar Pradesh is highly dependent on government sources. Hence, it may safely be inferred that the financing of higher education in Uttar Pradesh is, virtually, the 'State Financing'. Hence, the hypothesis no. 3 is also accepted as per the above finding;

iv) 'Other Sources', other than state government, have declined from sizable proportion i.e., 57.40 percent in the second year i.e., 1970-71 of the Fourth Plan to only 8.90 percent in the Annual Plan of 1990-91. Thus, the constant declination is evident in this source, with certain exceptional years. Therefore, the hypothesis no. 4 is also accepted as per the study;

v) Allognwith, it may be contended that the public and private sources have behaved in opposite
manner in financing higher education in Uttar Pradesh. In other words, leading role has been played by the public sources and lagging role has been performed by the private sources under the period of reference. In this way the hypothesis no. 5 is not accepted as per this finding;

vi) The government grants to the higher educational sub-sector are virtually the government's contribution/assistance or expenditure on this sub-sector. They are divided into the plan and non-plan expenditure. They have not behaved in the similar way but rather in opposite manner under the period of the study. Though the non-plan expenditure has been many a times higher as compared to the plan expenditure, it has been all the times high in 1992-93 in the first year i.e., 1992-93 of the Eighth Plan by standing at 97.33 percent as compared to the negligible plan expenditure of 2.67 percent in the same year. In the far early year 1970-71 i.e., second year of the Fourth Plan they were 84.68 percent and 15.32 percent respectively. Therefore, the hypothesis no. 6 is also not accepted as per the above finding;
vii) Further, the financing pattern of different constituents of higher education in Uttar Pradesh namely direction and administration, grants to universities, expenditure on government colleges, grants to non-government colleges, scholarships and other expenses have behaved quite differently under the period of reference. The major share of expenditure on higher education has been reaped by the non-government colleges. It has never been less than 51.00 percent and in the first year of the Eighth Plan i.e. 1992-93 it has been 71.00 percent whereas the grants to the universities and the expenditure on government colleges have been only 19.63 percent and 7.16 percent respectively. Again, the hypothesis no. 7 is not accepted as per this finding;

viii) As almost all the 14 state universities are financially red, especially in recent years, hence it can be said that the multi-source financial mechanism is insufficient for the expansion, growth and development of higher education in Uttar Pradesh. It, then, demands an alternative-cum-innovative financial mechanism to come out of the 'financial-trap' which is
becoming the 'regular feature' of the higher educational sub-sector of Uttar Pradesh. Thus, the hypothesis no. 8 is not accepted as per this finding;

ix) The 'resource-crunch' as revealed by the 'huge budgetary deficit' of the state universities in Uttar Pradesh in particular and the higher educational sub-sector in general has been occasioned by a major causing-factor. This factor is, virtually, the lacking of a well-managed financing policy of the state government for the higher educational sub-sector. Factually, what has been followed till now has been the policy of adhocism and discrimination in grants-in-aid. If 'sharing or matching principle' has been followed them 'tapering system' has also been followed by the state government in this regards. The University Grants Commission has also played an inequitous role in plan grants to the higher educational sub-sector of this state. Therefore, as per this finding, the hypothesis no. 9 is accepted;

and

x) This requires an over-hauling of the traditional pattern of the financing system and the rules and regulations of grants-in-aid, both of
the agencies viz., the state government of Uttar Pradesh and the University Grants Commission. Being the financing mechanism dis-satisfactory, an alternative scheme of resource-generation though innovative methods and resource savings with the aid of the economy measures are urgently required. For adopting and implementing the newer or alternative scheme of additional resource-mobilisation, as per the recommendations of the Punnaya Committee, the financial administration of the state universities and colleges are also to be taken care of through adopting Planning and Performance system of Budgeting instead of the traditional or Line Budgeting System. Thus, finally, the hypothesis no. 10 is not accepted as per the above finding.

9.2 SUMMARY OF THE STUDY:

The study especially covers the period since the Fourth Plan to the first year i.e., 1992-93 of the Eighth Plan with many a dimensions of the financing of higher education in Uttar Pradesh. Despite its wide spectrum the study in hand is being summarised chapter-wise as under:
Chapter I

The growth and development of the higher educational sub-sector has been viewed by the planners and policy-makers as not merely an effort to establish India's educational and cultural identity on the international scene but also as a means of enhancing the quality and productive capacity of the manpower of our country. It has been perceived as a crucial input in India's efforts to achieve self-reliance and autonomy in many frontal areas of strategic activity. Viewed in the terms as such the role of higher education will continue to be very important element of national endeavour and will fully justify financial protection and support by the government. In fact, the higher education's existence is highly correlated to the financial resources allocated to it. The main problem, in this context, is that of limited financial resources, reduced budgetary provisions in the wake of increasing demand for higher education and competing claims on funds by various sectors of development and especially that of the competing claims of the sub-sector of the integrated system of education of the country. The striking feature is this that the public expenditure on higher education in India is lowest among certain major countries of the
world. Further, even the neighbouring countries spend more of their budget on education than that of India. However, after the inclusion of education in the con-current list of the constitution, education has become a joint responsibility for expediting the process of educational development by way of extending infrastructural facilities, providing necessary finance, monitoring of programmes through mutual cooperation and coordination of educational activities and maintenance of the standards of education. The central and the state governments have thus entered into a meaningful partnership in providing financial sustenance to educational system and their collective role determining the pace of development in the field of education. What is marked that over the successive years, the governments' contribution has gradually increased to above 87.00 percent (including local bodies) and the relative importance of such sources of income as fees, endowments and donations, and other community sources have declined. Inspite of the substantial contributions of the central and state governments towards the financing of higher education, the finances of the universities are inadequate as they have not increased commensurate with the
rise in enrolment, rate of inflation and increased requirements for modernisation and diversification of higher education. Hence, an analysis of the budgetary positions of 80 universities for the period 1984-89 has revealed that as many as 45 universities suffered from deficits while 35 of them experienced surpluses. As many as 78 of these universities out of 80 have deficit budgets for years during the period of analysis; and at least 10 universities suffered from perpetual deficit for all the five years. This has happened when the higher education is highly subsidised. Despite high subsidisation a sharp fall in the %age of plan expenditure on higher education is evident. It was as high as 25.00 percent in the Fourth Plan and is expected to come down to 8.00 percent in the Eighth Plan. The cuts in the budget for higher education have made the things worst.

Thus, in the backdrop of the Indian scene the problems identified for the higher educational sub-sector of Uttar Pradesh are as follows:

i) The plan allocation of the state government for higher education has been dwindling and it has rather on decline due to highest priority given to the elementary education. The secondary
education comes on the second priority. Thus, the competing claims of the sub-sectors of the education in Uttar Pradesh have resulted in resource-crunch to the state universities and colleges of higher education. At least 12 out of 14 state universities are in red. ii) Unapproved expenditure incurred by the state universities is one of the causes among other factors. The other major causes are: the share of government expenditure has remained more or less constant since the Fourth Plan; the universities and colleges are highly dependent on the financial resources released by the state government as more than 90.00 percent of the total higher educational expenditure is that of non-plan in nature, the non-government colleges are consuming about three-fourths of the total budget for higher education, the share of private finance has declined greatly; the grants-in-aid policies of the University Grants Commission and the state government of Uttar Pradesh are adhoc, bureaucratic and inequities in nature and the state universities and colleges have made little efforts in economy in expenditure and additional resource-mobilisation. These are
certain financing problems of the higher educational sub-sector of Uttar Pradesh since the Fourth Plan. The question arises: What has been done academically to study the higher educational financing problem of Uttar Pradesh? Though there has appeared a vast literature on this problem on India level but nothing, covering different dimensions, has been studied on Uttar Pradesh level so far. Only Muzammil has discussed the problem especially pertaining to the expenditure growth, sectoral-allocation and budgetary process of the higher educational sub-sector of the state. No study has appeared so far, on plan-wise basis, for financing of this sub-sector. Vertually, the basic issues such as grants-in-aid problem of the sub-sector, state government's policy for financing it and the policy for additional resource mobilisation (to come out of the financial trap) have been left-out by the researchers. Hence, the above issues have framed as the subject-matter of the present study. A set of hypotheses has been framed in this light; they have been tested and the findings are placed in the concluding chapter. Because there has appeared no systematic and thorough
study on this problem so far therefore this study assumes much significance and may prove to be beneficial to guide the higher education planners, policy-makers and researchers under the theoretical and statistical limitations. The study collects its data from multi-sources but particularly it relies upon the publications from the Directorate of Higher Education, Department of Higher Education, Government of Uttar Pradesh, Statistical Diary of the State Planning Institute, Uttar Pradesh, Lucknow, and Government of Uttar Pradesh, Department of Education, Estimate of Expenditures for various financial years. The historical research method has been followed for the study.

Chapter II

The state's economic backwardness results in financial resource crunch and given with the policy of highest priority to the elementary education in terms of resource allocation and competing claim of the secondary education, the higher educational sub-sector has, naturally, to face resource-constraint as is evident from huge budgetary deficit of the state universities in recent years. Education in Uttar Pradesh can not be seen in isolation, it is to be studied in economic backwardness perspective
of the state where a financial resource-crunch exists for a long-time. The higher educational sub-sector of the state has expanded at an accelerating rate in post-independence period in such a manner that it has largest system or numbers of institutions for general higher education in the country at present. There are 14 state universities, 487 degree and post-graduate colleges (government, non-government, constituent and autonomous) and 5 deemed-to-be universities now. Not only this, the number of students and teachers has also grown enormously since the First Plan. The students’ enrolment was 77,90 thousand which has increased to 844,70 thousand in the second year i.e., 1993-94 of the Eighth Plan. The number of teachers increased from 2,521 in the First Plan to 22,619 in the Annual Plan 1990-91. The growth and development of the higher educational sub-sector is implicative for higher educational expenditure by the state government and also for analysing the financing problem of the sub-sector itself especially since the Fourth Plan. The expenditure on this sub-sector may be explained by budget provision for and revenue expenditure incurred on it by the state government under the plans. The plan-wise observation (since the First Plan) suggests that the %age of the budget provision for higher education to the budget provision
for total education has been in the range of 6.26 percent to 11.29 percent. It has been less than 11.50 percent in the entire period of First Plan to the third year i.e., 1994-95 of the Eighth Plan. It was lowest in the Fourth Plan. Also, there are big ups and downs in the %age of budget provision for higher education to the budget provision for the total education since the Fourth Plan to the third year i.e., 1994-95 of the Eighth Plan. The budget provision and revenue expenditure (actual) may differ. This applies to the higher educational sub-sector of Uttar Pradesh since the Fourth Plan to the first year i.e., 1992-93 of the Eighth Plan. It has been in the range of ₹546 lakh in the first year i.e., 1969-70 of the Fourth Plan to ₹16,936 lakh in the first year i.e., 1992-93 of the Eighth Plan. The %age of expenditure on higher education to the total educational expenditure by the state government has been in the range of 6.78 percent to 11.54 percent in the period. This implies that it has always been below 12.00 percent in the entire period under consideration. It is to be marked that it was lowest (7.75 percent) in the Fourth Plan. The falling trend of %age which was the peculiar characteristics of the Fourth Plan, reoccurred since
the fourth year i.e., 1983-84 of the Sixth Plan to the first year i.e., 1992-93 of the Eighth Plan. More clearly, it is observed that though the amount of expenditure on higher education by the state government has increased in absolute term yet it has relatively declined because the %age, in the 24 years of span covering the first year i.e., 1969-70 of the Fourth Plan to the first year i.e., 1992-93 of the Eighth Plan, has relatively declined. It has always been below 10.00 percent and only for 6 year it been 10.00 percent or above but below 12.00 percent. For most recent years covering the second year i.e., 1986-87 of the Seventh Plan to the first year i.e., 1992-93 of the Eighth Plan it has declined sharply. Added to this, its fluctuation is also marked. The relative %age decline of the expenditure implies lesser importance to the higher educational sub-sector as compared to other sub-sector of education by the state government. It is also noted that budget provision and revenue expenditure, though marginally, differ for the higher educational sub-sector in the reference period. The analysis of expenditure on higher education brings to souces of financing for education including higher educational. It is to be noted that educational financing in India has been developed in the form
of multi-source system over the last few decades where the burden of financing of education is increasingly born by the state government, Uttar Pradesh being no exception. As far as the higher educational sub-sector is concerned the government of Uttar Pradesh accounts for its overwhelming share, being very small %age share of the private sources. The overall position of the higher educational sub-sector of the Uttar Pradesh does not appear to be satisfactory in terms of higher educational indications such as number of universities and colleges, enrolment, teachers and expenditure as compared to India since 1950-51 to 1991-92. Both, the policies of the central and state government of Uttar Pradesh are responsible, in the main, for such a state of affairs.

Chapter III

Human capital formation or human resource development in terms of education and training to youth, youth's engagement and their pursuit and perspective role in the process of growth and development of the country are largely shaped by the financial resourcefulness of the institutions of learning, especially that of higher education. In the context as such one would have to understand the concept of higher educational finance. The structure of
financing for higher education in Uttar Pradesh may be understood in the light of the structure of educational financing in India. The multi source financial mechanism for financing education in India may be divided into public and private sources. The public sources include government funds, municipal funds and district board funds. As against this the private sources comprise fees, endowments and other sources. In India's case, over the successive years, the public sources or the government's contribution has gradually increased to about 87.00 percent of the total expenditure in 1983-84. Obviously, the relative contribution of such sources of income as tuition fees, endowments and donations and other resources have declined. As regards higher educational financing the relative financial dependence of higher educational institutions shows a great deal of variation. However, they receive, on an average, more than 70.00 percent of their total funds from the government sources. The higher educational sector of Uttar Pradesh has also the similar sources as public and private sources under multi-source financial mechanism. There has been a significant increase in the public sources to the total finance for higher education in Uttar Pradesh since the second year i.e., 1970-
71 of the Fourth Plan to the first year i.e., 1992-93 of the Eighth Plan. The share of the public sources was 36.70 percent for the state government and 5.90 percent for the local bodies, etc. In the first year i.e., 1992-93 of the Eighth Plan the state government's share has enormously rose to 89.88 percent thought the local bodies's contribution has stood at 2.02 percent in this year. As for as the private sources are concerned their relative contribution has declined greatly since the second year i.e., 1970-71 of the Fourth Plan to the first year i.e., 1992-93 of the Eighth Plan. The financial support from tuition fees accounted for 38.70 percent and that of endowments and other accounted for 18.70 percent. As compared to this the tuition fees, contribution has declined to 5.01 percent and that of endowments and other sources was 3.09 percent in the first year i.e., 1992-93 of the Eighth Plan. Regarding tuition fees, still, it is to be commented that to the lower levels of education in the state, the contribution of tuition fees in total educational finance is the highest at the higher educational level. The shrinking share of private finance since the second year i.e., 1970-71 of the Fourth Plan to the first
year i.e., 1992-93 of the Eighth Plan shows over-burdening may be one of the causes for resource-crunch in the higher educational sector of Uttar Pradesh.

Chapter IV

The pattern of higher educational sector's funding does not differ significantly from the educational system as a whole in India. The situation has been that the government has been playing a leading role and the private sector financing is almost lagging behind. The Punnaya Committee observes in this context that higher educational institutions depend on public funds and other outside incomes to a much larger extent. In fact, the government plays a vital role in financing higher education as is evident from India's case. The Indian reference can be reduced to the state of Uttar Pradesh to see the relative role of the public (government) and private sources of financing higher education since the Fourth Plan to the first year i.e., 1992-93 of the Eighth Plan. It has been found that due to the accepted policy of enhancing public sector's role in every sphere of economic life of the Indian government and thereby that of the Uttar Pradesh government there has occurred a domination of it in funding of the higher education since the second year i.e., 1970-71 of the Fourth Plan to the first
year i.e., 1992-93 of the Eighth Plan. The public sources as represented by the state government occupied as much as 91.90 % age share in the first year i.e., 1992-93 of the Eighth Plan. The steady increase of this source shows higher level of subsidisation of the sub-sector too. As against this trend the private sources have got a sharp and steady decline in the same period. In the first year i.e., 1992-93 of the Eighth Plan their share was 8.10 only. With many factors responsible for this state of affairs, the stangnancy of the tuition fees may be a major cause. Hence, there appears 'scissor-effect' between the two sources of financing higher education in the state under the period of reference being the coefficient of correlation to be -1, showing a perfect negative correlation between them. Further, the coefficient may imply that due to overdomination of the public sources the pattern of financing is lop-sided; it is not optimal. Finally, the role of the public sources, by their financing, has been that the higher educa-
tional sub-sector flowerished in terms of number of institutions, enrolment and number of teachers since the second year i.e., 1970-71 of the Fourth Plan to the first year i.e., 1992-93 of th Eighth Plan. As against this, the private sources, by
their financing, have only assisted the sub-sector in terms of number of institutions, enrolment and number of teachers at subsistence level in the reference period as above.

Chapter V

Before the inception of planning i.e., 1950-51 India was spending 1.20 percent of its GNP on education and this increased approximately to 4.00 percent in 1986-87. However, as per recommendation of the Kothari Commission, earmarking of 6.00 percent of the GNP for education is still to be achieved. The expenditure aspect of education is more meaningful for inference when it is divided into the plan and non-plan type. Particularly for higher education the non-plan expenditure has been higher than that of the plan expenditure on university and other higher education in the case of the central government; it has been sufficiently high in the case of the state governments and the union territories for the period covering the second year i.e., 1970-71 of the Fourth Plan to the Sixth Plan. In %age terms it has always been above than 80.00 percent. The financial resources provided by the University Grants Commission and the state government as plan and non-plan grants are termed again as plan and non-plan expenditures on higher educational sub-
sector. The plan expenditure is that financial resource which is fixed for a plan-period and is incurred for infrastructural growth and development of the higher educational sub-sector. The non-plan expenditure is that financial resource which is incurred in the form of "committed expenditure" by a state government for maintenance and sustenance of this sector. Both are incurred by the state governments as is in the case of Uttar Pradesh. In the state of Uttar Pradesh these are the two components of the revenue expenditure or budgetary expenditure. Due to constitutional directives and social requirements the sub-sectors-primary and secondary education have consumed the major part of the total educational expenditure incurred by the government of Uttar Pradesh under the plans. The higher educational sub-sector has got third priority. Thus, the resource-crunch is in-built in the sub-sector in Uttar Pradesh under the plans. The %age of plan-wise plan expenditure on higher educational sub-sector in the state has fallen from the high of 18.00 percent in the Annual Plans to 12.70 percent in the first year i.e., 1992-93 of the Eighth Plan. However, the approved outlay and anticipated expenditure show the fall upto
12.06 percent and 12.02 percent respectively in the second year i.e., 1992-93 of the Eighth Plan. This may be because the %age of total educational outlay and expenditure to plan outlay and expenditure has come down from 4.89 percent in the Fourth Plan to 3.55 percent in the year 1992-93 of the Eight Plan. There is a legislative budgetary procedure to be followed in budgetary allocation of funds to education including higher education in Uttar Pradesh. In this procedure the demand for grants are voted to be passed in Vidhan Sabha and Vidhan Parishad. This is called passing of the appropriation bill, duly signed by the Governor. The grants thus passed are allocated as plan and non-plan expenditure on different items of the higher education. In this context, the share of expenditure on higher education as %age of total educational expenditure has been more or less around 10.00 percent or say it has been in the range of 6.78 percent to 9.87 percent since the first year i.e., 1969-70 of the Fourth Plan to the first year i.e., 1992-93 of the Eighth Plan. Expenditure on higher education as %age of budgetary expenditure has been more than 1.00 percent and around 2.00 percent in the same period. As far as the expenditure on higher education as %age of State Domestic Product is
concerned it was in the range of 0.13 percent and 0.34 percent. This is really a pitiable state of the sub-sector. The general trend-observation regarding the plan expenditure on higher education is that it exhibits a fluctuating decline since the second year i.e., 1970-71 of the Fourth Plan to the first year i.e., 1992-93 of the Eighth Plan. Big highs and lows appear in this expenditure in the above period. It has never experienced a constant increase or constant decline in this period. Vertually, it has been comparatively sufficiently low as compared to the non-plan expenditure and has never increased more than 18.14 percent in absolute terms in the reference period. The situation as such shows that the central government, the state government of Uttar Pradesh and the University Grants Commission have not given preferential treatment for structural development of this sub-sector. Also, as the primary and the secondary sub-sectors, owing to priority by the government of Uttar Pradesh, have swallowed-up the plan financial resources of this sector, a resource-crunch for the sub-sector is inherent-in which has deepened in the recent plans. As against this the trend-observation of the non-plan expenditure on the sub-sector shows an increase
both in absolute and relative terms under the period since second year i.e., 1970-71 of the Fourth Plan to the first year i.e., 1992-93 of the Eighth Plan. It has always been higher than 81.00 percent in any of the plan under the considered period. It has ranged between 81.86 percent to 98.11 percent in the reference period. The broad generalisation is that relatively and sufficiently enough the plan expenditure has decreased and to compensate it the non-plan expenditure, relatively and sufficiently enough, has increased since the second year i.e., 1970-71 of the Fourth Plan to the first year i.e., 1992-93 of the Eighth Plan. The implication is that the maintenance burden for the higher educational sub-sector has increased, rather abnormally, on the shoulders of the state government. Further, this affects its autonomy negatively. Also, the high level of the financial dependence of the sub-sector indicates that an 'actual' and 'potential' financial resource crunch is inbuilt in it. As an exercise towards co-variation of the two types of expenditures it is found that there are 11 cases when they have co-variated positively and in 8 cases they have co-variated negatively in the reference period of Fourth Plan to the first year i.e., 1992-93 of the Eighth Plan.
There is a moderate degree of positive correlation between the two, coefficient being +1.44. As per ever increasing trend of the non-plan expenditure, the higher educational expenditure on per enrolled student in the state has amply increased from ₹.235.40 in the first year i.e., 1969-70 of the Fourht Plan to ₹.2,127.10 in the first year i.e., 1992-93 of the Eighth Plan. The amount as such shows a highlevel of subsidisation of the sub-sector by the state government in the reference period. The enhanced amount of expenditure on per enrolled student does explain, though particularly, the absolute and relative increases in the non-plan expenditure on the sub-sector in the period under consideration.

Chapter VI

The higher education has set objectives in the state such as acquisition of most recent knowledge and its promotion, providing proper leadership in every sphere of human life, enhancement of fraternity, equality and social justice in the society and promotion and preservation of the national character. The constituents of the higher administered and directed by the Directorate of Higher Education and the Education Department of government of Uttar Pradesh are expected to fulfill
the set objectives. It being so, their funding or government expenditure on them becomes a matter of enquiry. The important facets of the sub-sector of education i.e., higher education are: Direction and administration, the state's affiliating — cum — residential universities (including deemed-to-be universities), government degree and post-graduate colleges, non-government degree and post-graduate colleges, scholarships and other expenses. The classification as such are framed in terms of grants-in-aid/contribution/state assistance or expenditure by the state government. There are the plan and non-plan expenditure on these constituents. Further, the each constituent has got its own sub-classification itemwise and the plan and non-plan expenditure on it. An analysis of the trends in expenditure on direction and administration since the Fourth Plan to the first year i.e., 1992-93 of the Eighth Plan shows that it forms a negligible part of the grand total expenditure on higher education in the state. For the entire period covering 18 years, as per the available statistics, it accounted for 1.20 percent. The trends-analysis of expenditure on residential and affiliating-cum-residential universities since the Fourth Plan to the first year i.e., 1992-93
of the Eighth Plan reveals that for the total span of 19 years, covering the above plans, this constituent accounted for 18.55 percent share in the grand total expenditure on higher education by the state government. Alongwith, university-wise expenditure since the Sixth Plan to the first year i.e., 1992-93 of the Eighth Plan shows that Lucknow University dominates amongst all the 14 universities. This is a residential university. Gorakhpur University dominates amongst the affiliating-cum-residential universities. Thus, there appears uneven and biased allocation of grants-in-aid/contribution/state assistance or expenditure on the university-constituent by the state government. This step-motherly treatment as such not only hinders the smooth growth of higher education but also goes against the set objectives of this sub-sector in the state. The marked trend of the index of growth of expenditure on the universities is found to be highly fluctuating in the period of reference.

The trends in expenditure for the government degree and post-graduate colleges analysed since the Fourth Plan to the first year i.e., 1992-93 of the Eighth Plan bring out this that their share in the grand total higher educational expenditure has been 6.88 percent, covering the 19 years under
the above plans. As far as the index of growth of expenditure is considered it is found that, leaving the Annual Plan 1991-92 when it dropped to a low, in all the years since the Sixth Plan it increased continuously. Thus, the government has developed and expanded this sector steadily. Alongwith, the trends in expenditure for the non-government degree and post-graduate colleges analysed since the Fourth Plan to the first year i.e., 1992-93 of the Eighth Plan reveal that they consume lion's share of the higher educational expenditure by the state government. Their share in the grand total expenditure has been found to be 71.43 percent in the entire period of 19 years covering the above plan-period. The index of growth of expenditure since the Sixth Plan to the first year i.e., 1992-93 of the Eighth Plan shows that, leaving the 1990-91 and 1991-92 when the index went to a low, in all the years it increased steadily. Thus, it can be inferred that the government of Uttar Pradesh has been quite cautious and deeply interested to the develop the non-government collegiate higher education in the state through its grants-in-aid/contribution or state assistance. The trends in expenditure for deemed-to-be universities could not be properly traced as they are not the direct responsi-
bility of the state government of Uttar Pradesh. The available data show their poor conditions as far as the state financing is concerned. The other expenses' trends in expenditure related to the mentioned period covering 18 years reveal that it claims an insignificant %age of the grand total expenditure on higher education in the state. Alike trend appears in the item scholarships in the same period. Its %age share of the grand total higher educational expenditure is only 0.70 percent. The situation as such may lead to quality deterioration of higher education in the state.

Chapter VII
The financing policy of the government of Uttar Pradesh for general higher education can be traced in the Drafts of its Five Year Plans and again in the budget speeches of the Chief Minister and Higher Education Minister of the state. The policy since the Fourth Plan to the Eighth Plan has been that of providing development and matching grants to the universities and colleges. The higher educational sub-sector has been given third priority in the educational financing by the state government. The sole objective has been that of consolidation, strengthening and qualitative improvement of this sector instead of
prefrential expansions. The financing policy is incomplete, inadequate and half-hearted. The state government has no fixed policy for financing higher educational sub-sector. This sort of unstable approach creates adhocism, confusion, uncertainty and instability in the financing of this sector. It lacks commitment to priorities, rationality, sufficiency, efficiency, evenness, dynamism and the rules and regulations resulting in bureaucratic delays and wastage of scarce financial resources thereby hindering the balanced growth and development of the higher educational sub-sector. The policy's irrelevance is more revealed in the grants-in-aid rules and mechanism of the state government. Generally, statutory, maintenance and development grants, on matching basis, are provided by the government in terms of the plan and non-plan grants in every financial year. The colleges get the maintenance grants from it. It has been observed that the system of government assistance to institutions of higher education does not follow a well-conceived policy of university expansion and development. The grants-in-aid quantum and rules are more problematic to the non-government colleges of the state, because of their mushroom growth, than that
of the universities. The major problems related to the grants-in-aid to the colleges are: diversity, inadequacy, uncertainty, vague specifications of the grants-in-aid rules and the time-lag between the establishment of the institutions and release of the grants, lack of dynamism and the folly of indiscriminate assistance. Again, the 'deficit grant' proves to be irrelevant for the higher educational institutions in the state. They need block grant as well as specific grant instead of the deficit grant. Thus, a large number of financial ills and nonachievement of the higher educational subsector could be found in the bureaucratic and traditional system of the grants-in-aid rules followed by the state government towards the universities and colleges. Then there is the problem from the University Grants Commission's grants given to the state universities and colleges in the state. For instance, (i) the state universities get only development grant and that too not to the extent to which the central universities get in the state (ii) the 'sharing-principle' of the University Grants Commission's grants creates a lot of difficulties for
the state universities in accepting and benefitting from the grants offered. Vertually, this is the matching grant. Matching grants delay the execution of the various activities particuarly the developmental activities as the matching-share by the state government is either not provided at all or provided at a very late state. The result is that the universities are not able to take advantages of the commission's grants offered. The commission's grants are primarily given to the state univerisities and only thinly distributed over the colleges. In fact, the commission's grants are inequitious in nature. The grants given to the univerisities are some times mismanaged, misappropriated and misused and there is no adequate check on this by the Univerisity Grants Commission. The utilisation part of the grants is not less important. The physical and financial resources are not being utilised properly by the institutions of higher education in the state. The state universities incur unapproved expenditures in huge amount; they use the grants other than for which the grants were originally sanctioned; they do not, generally, send the utilisation certificate to the commission and the state government and if the grants are released in the fag end of the financial year then because
of the short-span they are utilised in haphazard manner or are lapsed. Thus, the scarce financial resources are not utilised efficiently by the higher educational subsector in the state. It has also observed that there exists the problem of financial administration of the state universities and colleges. Despite the financial affairs being dealt by the Finance Officers of the state universities, as they follow the Line Budgeting or traditional budgeting system, are faced with loose and unbalanced financial administration. The state of affairs as such is adding to their colossal financial deficits in every forthcoming financial year.

Chapter VIII

The current policy of the government of Uttar Pradesh is that the universities and colleges of higher education should reduce or end their financial dependence on the government and must make concerted efforts for financial autonomy through additional financial resource-mobilisation. The system of additional financial resource-mobilisation and the economy of expenditure may be seen through the recommendations of the Punnaya Committee followed by other subsidiary measures. It exclusively recommends the input pattern of funding or unit cost system.
of calculation of grants for financing higher education in the central universities which have positive implications for the state universities of Uttar Pradesh. It recommends that the University Grants Commission/state government must ensure that maintenance grant covers the wage-bill of the universities and it suggests to replace incremental nature of maintenance grants by a more rational system of grants i.e., unit cost system to ensure accountability, efficiency and adequate incentive for savings and generation of income of the universities. It suggests that the University Grants Commission and state government should continue as major funding agencies and the universities must adopt certain innovative measures for resource-mobilisation such as letting-out their infrastructural facilities like play-ground, auditoria and should organise short-term courses (professional one) which are in demand. They are required to be engaged in consultancy services with industrial enterprises. They must also tackle their Alumni to contribute financially to their old institution. For the fee-structure remains stagnant for last four-five decades the committee recommends for enhancement of tuition fees, in the main, with other fees like
hostel, library, laboratory and sports. It views that the income derived from enhancement of fees should be utilised for scholarship programmes for the students of the weaker sections of the society. In this connection, in 1990, Muzammil estimates that an across the board increase of 50.00 percent in fees in higher education in Uttar Pradesh will raise its share in total higher educational finance from the 18.00 percent in 1980-81 to 26.00 percent at present. This will bring about most desired relief to the finance-starving institutions of higher learning. Also, the committee suggests that the universities must try everything possible to cut-down their wasteful expenditure and economise from the examination funds. It goes on to recommend that in viewing academic infrastructural facilities no distinction should be made in regard to the plan and non-plan grants by the Univerisity Grants Commission and the entire system of grants must be viewed as a whole. Other subsidiary measures, other than the Punnaya Committee, relate to the creation of endowment fund, publication business by the universities and the privatisation of the higher educational subsector of Uttar Pradesh. They are supposed to generate additional financial resources for the universities and colleges.
For the newer scheme of additional financial resource mobilisation fitness of the financial administration of the state universities is the basic requirement. For this, the traditional budgeting process should be replaced by the management techniques based Programme and Performance Budgeting System. This is expected to produce accountability, efficiency and cost effectiveness in financial management especially in the context the higher educational sub-sector of Uttar Pradesh. This may assist in containing the wide financial mis-management and huge financial deficits of the state universities of this state. But the implementation of the new system of budgeting required an effective monitoring system-coupled with the reward/punishment mechanism. Thus, many innovative measures may have to be discovered in the changed circumstances to uplift the qualitative level of higher education and solve the present problem of financial crisis of the higher educational sub-sector of Uttar Pradesh.

9.3 SUGGESTION FOR FURTHER RESEARCH:

No study can be said perfect. Something remains to do always. This induces a system and study process of research in any discipline and any topic. This study is not far from this truth. As such it leaves
many investigating aspects to be analysed separately as pointed as under:

i) Adequate attention should be paid to the conceptual analysis of the various aspects of higher educational finance. For example, the respective responsibilities of the central and state government of Uttar Pradesh and local bodies in the financing of higher education at various levels need to be studied. Other relevant areas of research are: the basis of laying down inter and intra-sectoral priorities in determining the size of financial inputs in various fields of higher education; the theoretical framework of laying down the procedures and patterns of government grants; private and social costs and returns in higher education; the concept of opportunity costs or income foregone; the equity and efficiency syndome, unit costs of higher education, etc.;

ii) a) Analyses of the sources of income and patterns of expenditure of different types of higher educational institutions. These analyses would be in respect of institutions in different regions of the state.

b) The behaviour of different sources of finance
like contributions from Government, local bodies, fees and private philanthropic organisations in the post-independent period may be studied on regional basis. The element of subsidy in student fee, for different courses of study like general and professional education, over time, may also be investigated in the context of the state;

iii) The alternatives of student funding - loan versus grants - would also need investigation in Uttar Pradesh's context. The working of the loan schemes for various categories of students and the deficiencies that have crept into the system with regard to student coverage, the quantum of loans, the problems of implementation, the mechanism of repayment, etc., would also need to be studied in depth;

iv) The problems of equity and efficiency, wastage and stagnation, utilisation of academic and physical infrastructure, and the reason for non-utilisation or inadequate utilisation of financial resources for higher education are some of the other important issues, which need to be examined for the reference area;
v) The system of Uttar Pradesh's government funding of higher education, pattern and procedures of government grants, block v/s earmarked grants, rules and regulations governing the availability of assistance from the government and the extent to which the conditions of grant are insisted upon by the government and fulfilled by the institutions also need to be studied;

vi) Another important area of research in Uttar Pradesh's government funding of higher education is the impact that it makes on the educational institutions, particularly from the point of view of equity, adequacy and specificity: its capacity to promote academic innovativeness, its impact on academic freedom of the institutions and whether the system of grants-in-aid is efficient and sufficiently elastic to withstand the various stresses and strains to which the educational system is periodically subjected;

vii) Another important area of research is the impact of the New Economic Policy on the financing of higher education in Uttar Pradesh. In this context, the role of private enterprise in the financing and administration of higher education would need to be studied. Further,
the role of the so called capitation fee colleges would need an in-depth investigation;

viii) Another promising area of research is the financial management at various stages of higher education in Uttar Pradesh. Under this it will be necessary to study the entire gamut of the decision-making machinery for the allocation of resources and their utilisation, the budgeting and auditing procedures, the process of monitoring and feed-back relating to the progress of schemes of development, and the steps necessary for modifying the system, etc.;

ix) A critical analysis of the Plan and Non-plan Expenditure on higher education in Uttar Pradesh may also be studied (period may also be optional one);

x) Further, critical analysis of expenditure on the constituents of higher education in Uttar Pradesh can be a ripe area of investigation (period may be optional one); and

xi) Finally, a critical study of the innovative means of financing higher education in Uttar Pradesh can be taken-up as a very contributing study for this sub-sector.
The aspects as stated above may not only be contributory to the knowledge of financing higher education but they may prove worthwhile to the educational administrator, policy-makers and to the government of Uttar Pradesh, meant for its budgetary - management.