"If you think education is expensive, try ignorance."

- Ann Landers

India now operates the third largest general higher educational system in the world though, paradoxically, over 50.00 percent of its people remain virtually outside the purview of the present system of education! As Prof. J.P. Naik aptly put it "the post-independence period may be described literally as the era of higher education in Indian educational history. It (higher education) is also the one sector of education which has expanded most." The continuous expansion of this sort has wide financial implications. For instance, the private sources of finance have declined over the years and have ceased to make any appreciable contribution to its development. Alongwith, the government, being the main agency of the financing faces problems. Vertually, the excessive financing dependence on the government has resulted, more than any thing else, in pushing the higher educational sub-sector into the cob-web of its decision where some universi-
ties are found to be giving up their autonomy in return for more state funding." Also, recent years have witnessed an escalation in expenditure due to the rise in salaries of teachers and outlays on buildings, hostels, laboratories/library books/journals, equipment and other research and teaching tools. Probably, the likely growth of expenditure in universities and colleges had been underestimated by the policy-makers. It has grown much more rapidly than another educational levels. Any measure to expand higher education without a prior examination of its cost consequences (and impact on quality), could be self-defeating. The formulations of appropriate methods of funding higher educational sub-sector has so far not been accorded the importance it really deserves by the policy-makers and the institutions. This has brought in its wake some serious problems. Since the late eighties, a serious financial crisis has been booming large over this sub-sector as the government finds it difficult to provide adequate funds even as private sources funds wither away. In the early 1990s the funding scenario from the University Grants Commission also became bleak as its non-plan budget (which meets the maintenance expenditure of the universities) of ₹ 238.20 crores reduced by 17.00 crores. In 1991-92, the budget provision for it was frozen at 1990-91 level. In 1992-93 it was provided with non-plan grant of ₹ 247.09
crores as against expenditure of ₹. 266.27 crores incurred in 1991-92. Maintenance grants to universities were frozen at 1991-92 levels. And in 1993-94 it got a non-plan budget allocation of ₹. 288.82 crores. Thus, the financial crisis of the universities and colleges has been more aggravated. In fact, higher education no longer figures prominently on the list of priorities of many state governments, Uttar Pradesh becoming no exception. Vertually, there is a feeling among public authorities that it has already got more than its fair share in the education budget. As the evidence shows, lower levels of education (especially elementary education as in the case of Uttar Pradesh) are likely to get a preferential treatment in future. The higher educational institutions themselves have so far made little effort to establish a closer rapport with the community and create an awareness of the financial constraints and challenges they have been facing in recent times. The National Policy on Education (1986) has admitted that "in the context of the unprecedented explosion of knowledge, higher education has to become dynamic as never before, constantly entering unchartered areas. Urgent steps will have to be taken to protect the system from degradation...... It is important to ensure that those at the top of the pyramid are among the best in the
world." All these are good objectives but they cannot be fulfilled unless qualitative changes are introduced in the sub-sector. The quality of higher education, among other things, depends upon the individual institutions allocating resources at their disposal efficiently and economically. In a situation of resource constraints and higher cost of the provision of higher education, the efficiency objective assumes considerable weightage. There is a continuing need to discover the benefits of different lines of action, and see that the financial resources flow to appropriate channels. Universities and colleges will have to devise adequate academic and administrative procedures for the appropriate and effective utilisation of available resources and grants-in-aid. If the objective of higher education is achievement of excellence, more financial outlays will have to be apportioned to real academic activities such as teaching and research, libraries, laboratories, equipment and appliances, etc. It is a sad commentary on Indian higher education system that only a relatively small portion of funds is made available to it. Innovations are under taken by the University Grants Commission from time to time but they are abandoned long before they are known to have succeeded or failed. The higher educational system, thus, has failed to provide an environment conducive to the growth of excellence.
In a changing environment where market is coming to play a dominant role in the allocation of resources and subsidies are being dispensed with to curtail budget deficit, the possibilities of the government (both at the centre as well as the state levels and that of Uttar Pradesh) coming to the aid of higher education in a big way, at the cost of other pressing natural objectives including the universalisation of primary education and illiteracy in the country, seems remote in the years ahead. In these circumstances, the gap between the expected requirements and the possible allocation of resources from public funds to meet them is likely to widen substantially over the coming years, particularly in the context of new goals set out in the National Policy on Education (1986). The deleterious consequences of this erosion are now becoming clear and the higher educational administrators are tightening the rope in order to bring the budget into balance with available resources. Unfortunately, the gravity of the situation has received little attention from the academic and the student community; it is more than likely that either they have got reconciled themselves to a perpetual shortage of funds (and consequently deterioration in quality), or they have failed to realise the dangers that loom ahead. Therefore, the conventional
assumption that only government can alleviate the acute financial crisis has to be overcome because the overwhelming demands placed on it are too great for it to come to the rescue of this sub-sector. An increasing support from non-governmental (private) sources will have to be sought in the years to come. It is known that universities and colleges' fees have been kept frozen for the last so many years in many states including Uttar Pradesh when expenditure has increased by leaps and bounds. These institutions charge fees that are a fraction of what some primary, convent and public schools charge. Hence, the fees contribution will have to be raised sufficiently along with the provision of scholarships to the needed students. The institutions should devise some innovative and unconventional ways of raising funds. This would help the higher educational institutions not only to scale down the over-dependence on the government but also redeem their seemingly lost position and prestige and their autonomy. They should also make some sincere efforts to raise more funds within the system itself, besides making cost savings by trying a number of financial reforms. This implies privatisation of the sub-sector partially (i.e., private initiative in the light of 'constraints of resources').

The foregoing general scenario equally applies to the higher educational financing affairs of the
universities and colleges of general higher education in Uttar Pradesh. This State has added many dimesions in the growth and development of higher education in the country. There are 14 states universities for general higher education, 05 deemed to be universitites and 487 degree colleges in the state at present. Out of 487 colleges 68 are government colleges, 417 are non-government colleges and 02 are autonomous colleges. At present there are 102 women degree colleges. These institutions are providing higher education in various disciplines to nearly 8.2 lakh students, thereby contributing to the sector of skilled capital formation of the country. The institutions, as such, are generally suffering from financial resource-crunch which has been aggravated in recent years. Almost, all the universitites are in red financially mainly because of their increasing dependence on the state government and their inability to adopt innovative means of raising financial resources by their own efforts. The 'adhoc mannerism' of the grants-in-aid rules of the University Grants Commission and the state government of Uttar Pradesh has added fuel to the fire. Hence, their autonomy and existence are threatened. The changing market-oriented approach of the state government is compelling them to make concerted efforts so as to stand on their own feet. This requires that these institutions must have certain perspective
planning for additional financial resource mobilisation and economy measures to solve their financial crisis. In the backdrop of these bare facts the dimensions of financing of higher education in the state has been taken up, as a research problem, since the Fourth Plan.

The study-plan of the work is as follows: The First Chapter relates to the introductory part explaining the general observations on Indian educational and higher educational system, identification of the research problem, a brief review of literature on the research problem, hypotheses of the work, its relevance and contribution to the knowledge, database and methodology and limitations.

The Second Chapter traces the growth and development of higher education in Uttar Pradesh, growth of expenditure on it, sources of financing and a comparison between Uttar Pradesh and India in terms of various indicators of general higher education.

The Third Chapter describes the multi-source financial mechanism for general higher education in Uttar Pradesh. It also traces the public and private sources since the Fourth Plan period.

The Fourth Chapter analyses the relative role of public and private sources of financing for general higher education in Uttar Pradesh since the Fourth Plan.
The Fifth Chapter bases to the trend-analysis of the Plan and Non-plan expenditure as the means for financing general higher education in Uttar Pradesh.

The Chapter Six devotes to the trends in expenditure on different constitutions of general higher education in Uttar Pradesh since the Fourth Plan.

The Seventh and Eighth Chapters discuss the policy, current problems of financing of general higher education and perspective planning for additional resource mobilisation for this sub-sector of education in the special context of Uttar Pradesh respectively.

The concluding one i.e., Chapter Nine gives the main findings and summary of the research work and hints at certain areas of further research in the area of financing of general higher education with reference to Uttar Pradesh.

This is especially to mention for this research work that given the inadequacy of private financing and placing the higher educational sub-sector of Uttar Pradesh in the totality of major claims competing for educational financing when earmarking of revenue to heads of expenditure has been historically absent, the dimensions of government expenditure/grants-in-aid dominate over the source-wise financing.
The study has been tried to be made as upto date as possible with historical method as a design of research and different hypotheses have been tested and conclusion with policy-options are drawn. As far a policy of financing is concerned it is mooted that a realistic approach to the financing of higher education in the state has yet to take shape, although the inherent limitations of the existing pattern have been noted from time to time. In this context some alternative funding strategies such as suggested by the Punnaya Committee may not only help in generating more resources but also may make the higher educational sub-sector in the state less regressive. The time has come for the policy-makers, planners and administrators to consider deeply the financing question of the higher educational sub-sector of the State and to evolve a dynamic financing strategy whereby it would be possible to square the triangle of quantity, quality and equality in it. Unless some steps are taken to devise a bold and new strategy of financing higher education in the state, the dream of transforming the system into "one vibrant with a commitment to development and change" or "dynamic as never before" will remain unful-filled.