CHAPTER - I

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Establishment of Marathwada University:

Marathwada is the cradle of ancient traditions and culture of Maharashtra. Marathwada University symbolises higher education in modern times in this region. It is marching ahead with a progress for more than a quarter century.

There was only one college in Marathwada in erstwhile Hyderabad state in Nizam's regime. The Great leader like Dr. Babasaheb Ambedkar and Late Shri Swami Ramananda Teerth made efforts for, by planting a tree; spread of higher education in this region. Realizing the need of this area, the then chief minister of Maharashtra, Late Shri Yeshwantrao Chavan expedited the process of establishment of this University. A committee under the Chairmanship of late justice S.M. Palnitkar was appointed for the establishment of the University, which submitted its report on 1st December, 1957 and accordingly the state Government passed an Act for the establishment of University with immediate effect on 23rd August, 1958, Marathwada University was inaugurated at the auspicious hands of first Prime Minister, Pandit Jawaharlal Nehru.

An establishment of this University provided an opportunity to develop the higher education in this developing region.
The University had started its modest functioning in 1958-59 with 3069 students from its affiliated colleges. By 1st November, 1958, there were nine college in Marathwada, all affiliated to the Osmania University. By virtue of section 6 of the Marathwada University Act Coming into force with effect from that date, the affiliation of these colleges was transferred to the new Marathwada University.

The University has been developed on larger scale than what it was during pre-mid-sixties. The tempo of development and the maintenance of educational infrastructure need huge investment. This cost was met by the University by generating income through tuition fees and other several types of fees. However, these were inadequate sources of income. The central and state Government, hence, provided grants for meeting deficits till 1980-81. Moreover, they give the grants for expansion and development of educational infrastructure including teaching and non-teaching staff. There are several issues about the finances of University, the significant of them are discussed ahead.

**Significant issues in finances:**

**Evolution:**

The system of University education in Marathwada has often come in for critical comments from people representing different shades of public opinion and belonging to diverse
professional group. Marathwada like other regions in India has inherited the University system from the British rules as "a massive invalid, unable to respond to any simple treatment." Many ills are still preserved by the University administration. The edifice of the present University system in India, including Marathwada was laid in 1857 when, by a strange co-incidence, the people of India were involved in a massive struggle to throw off the Shackles of slavery that had, for centuries, stifled their social, political and academic conscience.

**Organization and inherited defects:**

The Marathwada University pattern of organization, is that which has emerged in India in the post independence era. It is heterogeneous and diffused in complexion, size and quality. The predominant proportion of the universities in India are of the affiliating type which have some teaching functions, but whose main responsibilities are to grant recognition to the vast bulk of collegiate institutions and to conduct examination. Today, the affiliated colleges, in Marathwada are responsible for over 80% of the student enrolment at their stage. These colleges have extremely tenuous relationship with the University. The college have little academic freedom and do not have much scope for experimentation and innovations. The situation calls for a radical transformation of the University college relationship so that later could have much more freedom, than before. Management
Council, Academic Council and Senate are the key bodies which decide higher education policies for educational development. These democratic bodies are unable to function smoothly due to many demerits of democracy.

Inspite of the allocation of proportionately larger outlays for higher education in Marathwada during eighties, it has not been possible for the democratic administration of the University to make significant improvement in the effectiveness of system. The important causes of this apparently dichotomous situation are:

(a) The neutralisation of the larger outlays by the galloping cost of educational apparatus and the salaries of the teaching and administrative staff.

(b) The inability of the Maharashtra Government to evolve and enforce rational admission policies particularly in humanities and social sciences.

(c) Defective financial policies pursued by the central and state Government particularly in the system of grants-in-aid and student fees including capitation fees.

(d) Inadequate machinery of financial and academic administration to meet the fast changing needs of Indian higher education.

(e) Inadequate utilisation of modern educational technology so as to increase efficiency and reduce costs.
(f) Bewildering rate of inflation causing to ruin all the longrun plans for educational investment.

(g) Demerits of democracy causing conflict academic and financial aims.

(h) Emergency of vast gangs of academic entrepreneurs engaged in skimming the student / parent pockets by starting non-grant professional and technical colleges.

(i) Interference of political leaders through Government in routine University administration.

(j) Long-lasted full stability to University employees leading to idleness to work.

Source of Higher Education Finance - An Aggregative Analysis:

The sources of financial support for the universities and their colleges are:

(i) Central Government which, under the constitutions of India, is responsible for the co-ordination and determination of standards of institutions for higher education or research and scientific and technical institutions.

(ii) State Governments, which are primarily responsible for all education including the University level. The establishment and maintenance of universities is the responsibility of the state Governments.
(iii) Fees constitutes the largest single non-government source of University and college finances.

(iv) Endowments and private donars which in the pre-independence period used to provide a respectable proportion of higher education finances, have been substantially reduced in recent years.

(v) "Other sources" relate to fines, special levies imposed on the students, ad-hoc collections, etc. The receipts from this account head have also indicated a downward tendency.

**Economic Criteria versus social criteria in the Grants-in-Aid-Policy:**

At present, the grants-in-aid policy of the University Grants Commission (UGC) or even of the state Governments are basically 'size-based'. Non-viable institutions hardly receive any development grants from the UGC. These institutions are also ignored by the state Governments since the development grant are disbursed on "matching clause basis" between the UGC and the State Governments.

It could be stated that grant-in-aid system based upon economic viability only is not an effective and efficient one conducive to the healthy development of colleges. The demographic character of the locality - Location, educational backwardness concentration of scheduled castes and scheduled tribes population etc. Should also be considered. Besides, these
local factors, nature of management, size, number of teachers, student teacher ratio, proportion of fresh students in the total enrolment, reputation of the institution, examination results, enrolment of girls etc. should also be given weightage in releasing development grants.

(a) The Marathwada University Act, 1958 was amended in 1974 as Marathwada University Act, 1974 in order to:

(i) Induce uniformity in the several laws relating to all non-agricultural universities in the state,

(ii) To promote more equitable distribution of facilities for higher education in the different areas of the state,

(iii) To provide for more efficient administration and financial control and better organisation of teaching and research,

(iv) To ensure faithful observance of the law in all matters including the selection and appointment of teachers and employees.

(v) To give representation to students on certain academic bodies.

(vi) To provide for wider representation to teachers and by all such means generally to improve the governance of the universities and the facilities they provide for higher education.

(b) Further it is expedient to provide for a unified pattern for the constitution and administration of non-agricultural and non-technological universities in the state of Maharashtra and to make
better provisions therefore. Hence, it was felt necessary to make
previgious to enable each University to effectively carryout with
responsibility the Maharashtra Universities Act 1994 was
commenced with following objectives -

(i) To promote more equitable distribution of facilities for higher
education,

(ii) To provide for more efficient administration, financial control,
better organisation of teaching and research,

(iii) To ensure proper appointment and selection of teachers and
other employes.

(iv) To provide for repesentation of students and teachers on
various bodies of the unviersity,

(v) To takes measures for curbing or for eradicating undesirable
non-academic influences detrimental to maintenance of
discipline and standards of education or academic excellence
in the universities and to provide for matters connected with
or incidental thereto ., it is considered expedient to unify,
consolidate and amend the law relating to such universities
in the state.

The hypothesis for investigation in this thesis is :

"The financial sources of the University are not sufficient to enable
it to discharge its obligatory duties and discretionary functions as
laid down in the Universities Act 1958, 1974 and 1994. It is,
therefore, necessary to manage and control its financial resources
more efficiently."
Select References:
