



ISSN Print: 2394-7500  
ISSN Online: 2394-5869  
Impact Factor: 5.2  
IJAR 2015; 1(8): 775-778  
www.allresearchjournal.com  
Received: 07-05-2015  
Accepted: 09-06-2015

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## **An assessment of growth of grants of higher education in India and its impact on quality and inclusive growth of higher education**

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### **Abstract**

The present study is made to attempt the assessment of growth of grants of higher education in India from 2004-05 to 2008-09 and as well as its impact on quality and inclusive growth of higher education. The regression equation indicates that the plan grants is positively and statistically significant associated to quality and inclusive growth of higher education in India and GDP is significantly influencing the plan grants.

**Keywords:** growth, higher education, quality, inclusive growth

### **1. Introduction**

Human resource development is an essential input for promoting the economic growth and development. Education and training, by imparting knowledge and skills, constitute the most significant factor in raising the level of the quality of human resources. They are the core sectors for generating the proficiencies required for employment and bringing about much needed change in the social environment, leading to overall progress through efficient use of resources. An appropriate education system also cultivates knowledge, a positive attitude, awareness and sense of responsibility towards right duties and imparts inner strength to overcome oppression and inequality. A high rate of literacy indicates that high level of development. Literacy is the first step in context of higher education and further, without literacy, a nation can't be achieving the ambition of higher education. Therefore, literacy is a necessity for improving the socio-economic conditions of the people as well as the nation. Literacy is not only an important indicator of quality of human resource; it is also a vital factor in demographic and socio-economic transformation (Gosal, 1999) and progress of a society is feasible when their citizens are dynamic, resourceful, enterprising and responsible (Shakeel Ahmad 2010) [1]. Higher education provides much contribution in our economic development through, new ideas on different matter and it ideas helpful in optimum utilization of any resource. Because, the natural resources are limited and wants is unlimited of the peoples. Thus, only higher education is last as an option for both managerial aspect (optimal utilization of resources) and as well as behavioural (obey the duty and our responsibilities). So, higher education is must for economic and social development. In this paper we have analysed the Growth of Grant of Higher Education in India and its Impact on Quality and Inclusive Growth of Higher Education in India

### **2. Objectives of the Study**

- To examine the financial sustainability of higher education in India.
- To examine the impact of plan grants on quality of higher education and
- To examine the impact of plan grants on inclusive growth of higher education.

### **3. Research Methodology**

The present study is analytical nature and it is based on secondary data, which were collected from Annual Accounts of University Grant Commission, Interim Budget 2009-10, Economic Survey of India 2008-09 and Human Development in South Asia Report 2007. The collected

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data have transcribed in long sheet form, tables have formulated and analyzed using wide range of appropriate techniques such as; Average, C.V., Regressions etc. The study has covered 5 years period starting from 2004-05 to 2008-09.

**3.1 Growth of Higher Education Institutions in India: A Bird Eye View**

In India, the growth of higher education was very slow at the time of independent. At the time of independent, only 20 universities, 500 colleges and 241369 students were enrolled. After independence the growth of higher education has been unique and at present time, 40 Central Universities, 234 State Universities, 21 Private Universities, 05 Institutions established through State Legislation, 128 Institutions

Deemed to be Universities, 39 Institutes of National Importance and 25951 Colleges have present (as on 31<sup>st</sup> March, 2009).

**3.2 Structure of Grants of Higher Education in India**

In India, the education is a state subject. Yet, Central and State Governments both are responsible for the development of higher education in India. In India, the University Grant Commission (UGC) is a statutory body, which promotes higher education with the financial help under various schemes and programmes. The University Grant Commission has been providing financial assistance for the development of higher education under plan and non-plan grants.

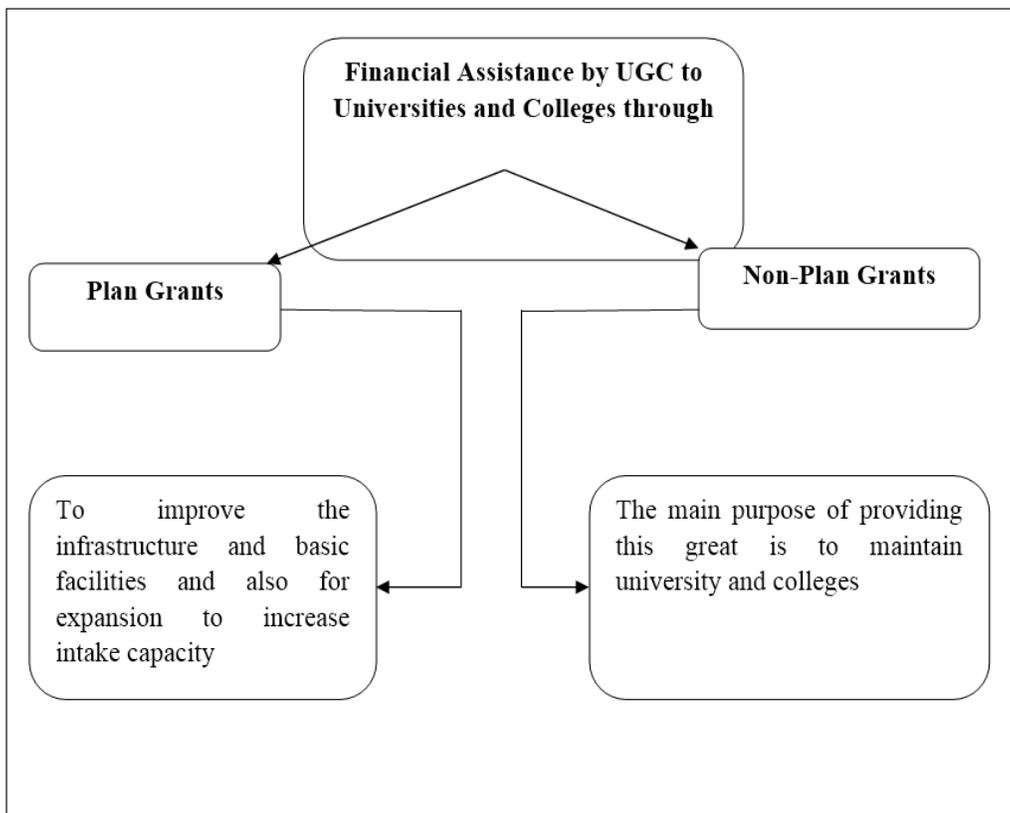


Fig 1

**3.3 An Assessment of Growth of Grants in Higher Education in India**

**Table-1:** Trend in Growth of Plan and Non-Plan Grants for Higher Education by UGC in India (Amount in lacs)

Year	Universities		Colleges	
	Plan Grants	Non-plan Grants	Plan Grants	Non-plan Grants
2004-05	54975.52	86998.26	20010.88	29406.35
2005-06	57808.43	103998.8	22912.05	31692.67
2006-07	84769.23	122566.2	40175.57	36212.51
2007-08	145658.3	145979.9	51625.52	41726.68
2008-09	233286.2	205324.2	82347.17	66963.73
Average	115299.50	132973.50	43414.24	41200.39
C.V.	65.36	34.59	58.29	36.77

Source: Annual Accounts (2004-05 to 2008-09) of University Grant Commission, New Delhi

Table 2 reveals the trend in growth of plan and non-plan grants by University Grant Commission of India for higher education institution in India i.e., University and Colleges during the period from 2004 to 2009.. The consistency of plan and non plan grants in universities and colleges has been 65.36 per cent & 34.59 per cent and 58.29 per cent and 36.77 per cent respectively in same period. As comparatively the consistency of plan grants in universities and colleges has differ, while, in case of non plan grants, the consistency has not significant differ during the period under consideration. During the period under study the plan grants by UGC to universities has been more grow up year to year as comparison to colleges. In 2008-09 the UPA government has taken a decisive initiative in the direction of higher education. The outlay of higher education has been increased 900 per cent in the Eleventh Five Year Plan. An ordinance has been promulgated for establishing 15 Central Universities; six new Indian Institute of Technologies (IITs)

have started functioning in Bihar, Andhra Pradesh, Rajasthan, Orissa, Punjab and Gujarat during the year 2009. Two more IITs in Madhya Pradesh and Himachal Pradesh are expected to commence their academic sessions in 2009-10. With the commencement of academic sessions in the Indian Institute of Science Education and Research (IISERs) at Bhopal and Thiruvananthapuram, all 5 IISERs announced earlier are now functional. Two new school of Planning and Architecture at Vijayawada and Bhopal have already started functioning. Teaching is expected to commence in four of the six new Indian Institute of Management (IIMs) proposed for the Eleventh Five Year Plan period, from the academic year 2009-10. These are in Haryana, Rajasthan, Jharkhand and Tamil Nadu. Due to above said ordinance the plan grants has more as comparison to non plan grants in 2008-09.

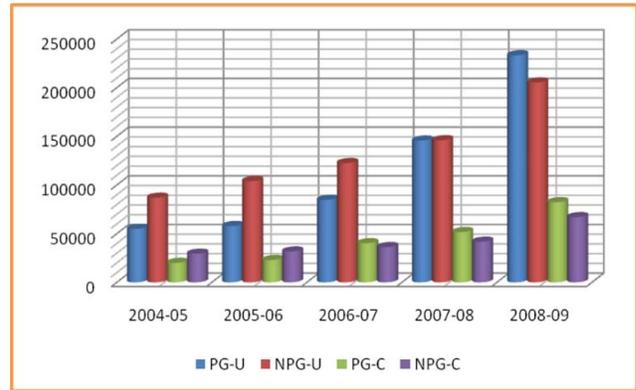


Fig 2: Trend in Growth of Grants in Higher Education in India

Table 2: Growth Trend in Grants and GDP in India (amount in lacs)

Years	Plan Grants	Growth Index	Non-Plan Grants	Growth Index	GDP (Current Prices)	Growth Index
2004-05	74986.40	100	116404.60	100	3239224	100
2005-06	80720.48	107.64	135691.50	116.56	3706473	114.42
2006-07	124944.80	166.62	158778.70	136.40	4283979	132.25
2007-08	197283.80	263.09	187706.60	161.25	4947857	152.74
2008-09	315633.40	420.92	272287.90	233.00	5574449	172.09
Average	158713.80	211.65	174173.90	149.44	4350396	134.30
C.V.	63.27	63.27	34.99	34.79	21.52	21.52

Source: Annual Accounts (2004-05 to 2008-09) of University Grant Commission, New Delhi and Economic Survey of India 2009-10.

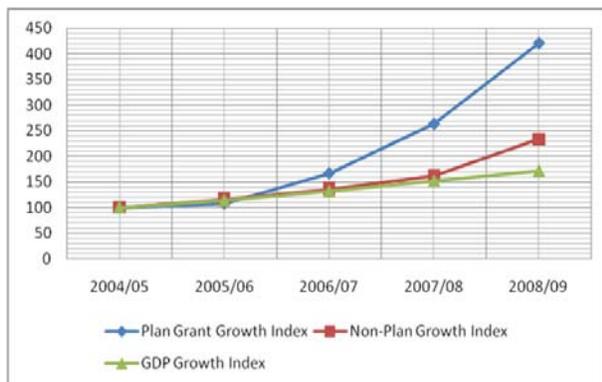


Fig 3: Growth Index of Plan Grants, Non-Plan Grants and GDP

Table 2 explore the growth index, consistency in growth and GDP from 2004-05 to 2008-09.. The maximum consistency has been GDP (21.52 per cent), followed by non-plan grants (34.79 per cent) and minimum has been plan grants (63.27 per cent). The minimum consistency in plan grants was occurs due to the outlay of higher education has been increased 900 per cent in the Eleventh Five Year Plan (2007-12). Further, regression model suggest that the growth of GDP is positively and significantly related to plan grants, while non-plan grants is also positively associated to growth of GDP, but, it is not significant.

$$1. PG = -2.88377 + .103 (GDP) + \epsilon \dots (i)$$

MR: .958, R<sup>2</sup>: .919, Adj.R<sup>2</sup>: .891

$$2. NPG = -96315.4 + .062 (GGDP) + \epsilon \dots (ii)$$

MR: .955, R<sup>2</sup>: .913, Adj.R<sup>2</sup>: .883

Note: PG: Plan Grant, NPG: Non-Plan Grant  
In both equations, R<sup>2</sup> is high (91.90 per cent and 91.30 per cent); it means growth of GDP is positively influencing the grants of higher education.

### 3.4 Impact of Plan Grants on Quality and Inclusive Growth of Higher Education

Table 3: Growth of Plan Grants and Growth of Teachers (amount in lacs)

Year	Plan Grants	Non-Plan Grant	Growth of Teachers
2004-05	74986.40	116404.60	394581
2005-06	80720.48	135691.50	-
2006-07	124944.80	158778.70	423786
2007-08	197283.80	187706.60	43889
2008-09	315633.40	272287.90	498382

Source: Annual Accounts (2004-05 to 2008-09) of University Grant Commission, New Delhi

Proper staff is most important is quality assurance of higher education, no doubt, due to plan grants the number of teacher have been increased but very amount as comparison to growth in plan grants, growth in university and as well as growth of colleges during the period under study. The non-plan is another aspect of quality assurance in existing higher education. Non-plan grants direct providing the financial support to student through scholar ships.

Table 4: Growth of Plan Grants, Universities and Colleges (amount in lacs)

Year	Universities	Colleges	Total Nos. of Institutions	Plan Grants
2004-05	343	17625	17968	74986.40
2005-06	355	18064	18119	80720.48
2006-07	376	20677	21053	124944.80
2007-08	408	22064	22472	197283.80
2008-09	467	25951	26418	315633.40

Source: Annual Accounts (2004-05 to 2008-09) of University Grant Commission, New Delhi

Table 4 depicts the growth of universities, colleges, total (universities and colleges) and plan grants from 2003-04 to 2008-09. The number of universities, colleges has increased from 343 and 17625 to 467 and 25951 respectively in same period. Overall total number of colleges and universities has been increased from 17968 in 2003-04 to 26418 in 2008-09. A large number of higher institutions ensure the inclusive growth of higher education. Four regression equations is framed to examine the impact of plan grants on inclusive growth of higher education.

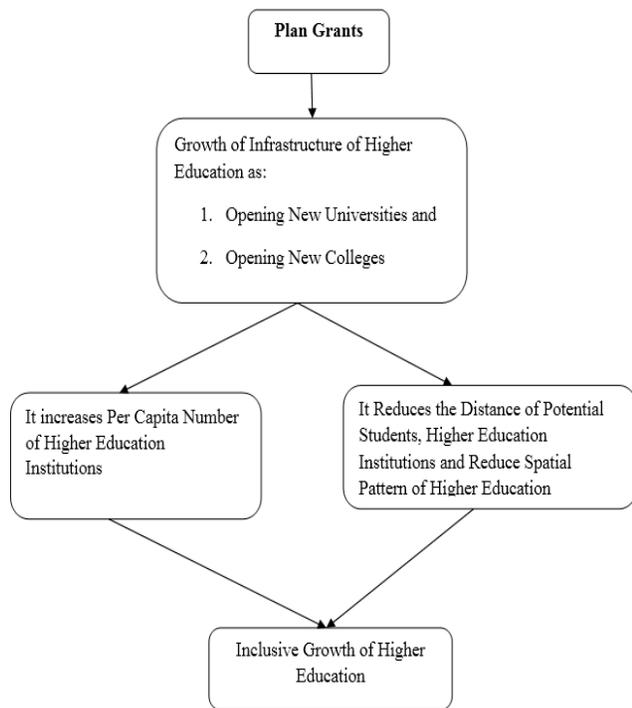
- 3.  $UN = \beta_0 + \beta_1 (PGT) + \epsilon \dots (iii)$
- 4.  $C = \beta_0 + \beta_1 (PGT) + \epsilon \dots (iv)$
- 5.  $TI = \beta_0 + \beta_1 (PGT) + \epsilon \dots (v)$
- 6.  $C = \beta_0 + \beta_1 (UN) + \epsilon \dots (vi)$

Note: UN: No. of Universities, C: No. of Colleges, TI: Total Institutions,  $\epsilon$ : is error term

**Table 5:** Plan Grants and Inclusive Growth of Higher Education

Equation	R <sup>2</sup>	b <sub>0</sub>	b <sub>1</sub>
3	.995	311.457	.0005
4	.975	1560.31	.0332
5	.972	15762.5	.0343
6	.995	-5398.7	67.4062

The plan grants significantly influencing the growth of infrastructure of higher education. R<sup>2</sup> in all equations is more than 97 percent, it means the growth of new universities and colleges is depends on the plan grants. Number of colleges is also increased due to the growth of universities. Thus, we can say that the number of universities and colleges reduced the distance area between potential students and higher education institutions and as well as the number of colleges also reduced the student teacher ratio, due to this phenomena quality of higher education is increased.



Source: Authors

**Fig 4:** Association among Plan Grants, Quality of Education and Inclusive Higher Education

**5. Conclusion**

The infrastructure of higher education of India has very well as compare to other developing countries. After independent, the growth of higher education in India has been high as compare to pre independent of India. At the time of independent, only 20 universities, 500 colleges and 241369 students were enrolment. After independence the growth of higher education has been unique and at present time, 40 Central Universities, 234 State Universities, 21 Private Universities, 05 Institutions established through State Legislation, 128 Institutions Deemed to be Universities, 39 Institutes of National Importance and 25951 Colleges have present (as on 31<sup>st</sup> March, 2009). The total number of teachers also increased from 15000 in 1950 to 588334 in 2009 and as well as the enrolment ratio has improve one per cent to 12 percent in same period, but the ratio is very less as compare to other developing and developed countries of the world (23.2 per cent). The regression analysis reveals that the plan grants significantly associated to quality and inclusive higher education. In 2008-09 the UPA government has taken a decisive initiative in the direction of higher education. The outlay of higher education has been increased 900 per cent in the Eleventh Five Year Plan. Yet, without proper utilization of resources and without equal distribution, we cannot achieve the target of good quality and inclusive development of higher education.

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