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FOREWORD

The documents in this monograph chronicle the agony in the recent years primarily, but not wholly, of the University of Delhi. It is not usual for a Vice-Chancellor to produce and circulate an assemblage of ‘official’ documents. But given the severity of the problem, national interest in education and development justifies this exercise.

The documents, which I hope will be read and studied in patient detail, narrate their own stories. No metanarrative, by way of a lengthy introduction, is here necessary. The dimensions of present and future crisis of Indian Universities, including the University of Delhi, emerge with poignant acuteness in these documents.

But some hopeful signs on the horizon need to be highlighted. The first was the bold, and fully warranted, decision, in the midst of the Central University Vice-Chancellors’ meeting in July 1992, by the Hon’ble Minister for Human Resource Development, Shri Arjun Singh, to roll back the freeze announced by the Union of India. The second is the appointment of the UGC high-power committee under the gracious leadership of Justice Dr. K. Pannayya. The tasks before the Committee are beyond envy but historic for the future of Indian University education. We, naturally, wish it well and Godspeed.

The discourse on the nature, mission and future of the Indian Universities does not involve as yet (and ought never to involve) any relations of adversariality between the Indian State and the Universities. What is needed is the recognition by the State of the discursive dignity of Universities as equal partners in dialogue concerning the future of university education, and its place in the development of the Nation. The dialogue must be authentically national in its scope, and not sectoral. For, nothing less than the future of university education in India is at stake.

The dialogue, now imperative, is not so much about the day-to-day survival of Universities as going systems, critically important though this is. Rather, on agenda is a search for a more efficient and equitable partnership between civil society and state in meeting the growing and legitimate needs of University education in India. This publication may well have served its purpose if it serves to catalyze such a dialogue.

Along the way as a national dialogue is initiated, there will be room for honest differences of opinion, vigorously enunciated. But this is precisely how the Universities—alongside with political parties, the media and the learned professions—help keep the miracle of Indian democracy alive and well. At the end of the road, however, we will all need to embrace democratic consensus on issues here raised and those which will, no doubt, even more sharply emerge.

It is with this expectation that I place this monograph in your hands.

Delhi: June 3, 1993.

UPENDRA BAXI
Vice-Chancellor
ACKNOWLEDGEMENTS

The regime of copyright law and justice requires me to convey, for the use of documentation, my anticipatory appreciation to the Association of Indian Universities, the Hindustan Times and the Pioneer. The cooperation of the media in articulation of our point of view to the nation has been a silver lining on an otherwise darkening horizon.

Dear Professor Mammohan Singh,

It was a real pleasure for my colleagues and me to have met your colleagues and yourself for the Plan allocation for Delhi University on 16th May 1991. I would like to place on record our warmest appreciation of the urbane and constructive approach which marked our deliberations on the developmental projects for the next five years for our University. I would also like to record my appreciation of your kind agreement for the allocation of a total development grant of about Rs. 18 crores, including the spillover of the VIII Plan. I also appreciate your decision to make a separate additional grant of Rs. 80 lakhs for the Delhi University Library System.

You might kindly recall that during our discussion I had raised a couple of general matters for the consideration of the Commission. First, I had suggested that we need a perspective plan for the entire University education system in India for the next 15-20 years, particularly indicating the minimal overall national resources which may need to be committed both to maintain a routine expansion rate of University systems in India and to service the growth points and pinnacles of excellence. A Plan of this nature should serve as a long term assessment of demand on national resources that University education in India would entail for its maintenance and development. Obviously, such a Plan would be sensitive to the overall sectoral needs and priorities of literacy and educational programmes in India. The Plan could also indicate minimum ratio of autonomous resource generation by the University systems themselves.

The advantages of such an exercise in planning are obvious. Such an exercise, for example, will assist the Commission to discharge its own statutory duties with greater imagination and foresight; it will also engage the attention of University systems in India to do perspective planning of their own development for the next 15-20 years and constrain them to develop a vision of their own future identity including growth points. In addition, the idea of autonomous resource generation will also stand legitimated. The negotiating position of the University with the Commission and of the Commission with the Government of India and the Planning Commission will also appear more rationally based than the current massive practices of arbitrary tradeoffs.

Furthermore, we should be able through this exercise to plan a redemption of the State Universities. From my experience as the Vice-Chancellor of South Gujarat University from 1982-85 I know how difficult it was for State University to grow systematically in view of the fact that allocation for Universities within the State Plans and budget stands to be rather wayward. I found it necessary to avoid any great reluctance on the part of the Government to assume responsibilities to absorb additional expenditure arising out of the five-year Plan allocations made by the Commission. Planned development of State Universities is a matter of utmost urgency and I do not believe, for reasons stated in my letter to the Commission on the Gnanam Committee Report on the University Management, that the establishment of the proposed State University Councils will assist such development. Indeed it would appear to me at some stage necessary for the University Grant Commission, the Association of Indian Universities and Individual Universities to approach the Finance Commission to evolve some criteria of allocation for servicing the needs of University systems through an agreed formula of allocation. Since education is now in the Concurrent List, it may even be possible to contemplate an outline of University development financing systems through Parliamentary legislation a subject which I had indicated to lamented Rajiv Gandhi at a meeting in 1985 in a delegation of the ATU (I refer to this matter in the enclosed tribute to the lamented former Prime Minister.)

You might also recall that I had suggested that national level thinking on development of Universities cannot be divorced from the problem of social accountability and social engagement - University systems. In my opinion, the Constitution has at so many places, particularly through...
Dear Professor Baxi

Many thanks for your letter No. VC91/2164 dated 31st May, 1991. I see great merit in your proposal for the preparation of a perspective plan for the entire University education system in India for the next 15-20 years. This perspective plan could also consider the financial needs of the University system as well as problems relating to the Social accountability and social engagements of the University system. I have already discussed this idea with Vice-Chancellors of some Central Universities. I would greatly welcome your suggestions for the methodology of the perspective plan. Meanwhile I will discuss this idea with my colleagues in the UGC.

With best regards.

Yours sincerely,

Sd/-

(Mannohar Singh)

Professor Mannoharan Singh,
Chairman,
University Grants Commission,
Bahadurshah Zafar Marg,
New Delhi-110002.

Professor Upendra Baxi,
Vice-Chancellor
University of Delhi
Delhi-110007.
DEAR PROFESSOR MANMOHAN SINGH

Thank you for your kind letter No. F. 6-1/691 (C M) dated June 10, 1991.

I am delighted that you have accorded such high priority to need for perspective planning for UGC and University systems in India.

In response to your query as to the 'methodology' for a perspective plan, while I agree that this is an important pre-requisite for our total effort, I can only articulate my thinking on perspective planning of Delhi University which is, as it were, on its way! The Commission's further exercise on its own perspective planning while relatively autonomous of University systems planning, may derive some "tools" from what the Universities may accomplish. I enclose in a schematic way the indicators which we surely want to bear in mind in our exercises.

Obviously, the kind of information required is rather comprehensive. Many Universities may not be inclined, or may lack personpower, to accomplish the analysis in a time-frame. Three ways to cope with this problem are available: (i) reduction of comprehensiveness of data to be retrieved; (ii) taking a random sample of State Universities (there is no reason whatsoever for the Central Universities not to be able to engage in such a comprehensive exercise); (iii) development of UGC technical assistance programme in information retrieval, in case all Universities have to provide data within a time-frame. It occurs to me that some of the data retrieval may be possible through archival analysis within the UGC itself, thus reducing the size of the exploration.

I might add that the enclosed material is rather tentatively organized but then a journey of a thousand miles must begin, necessarily, with a first step!

With warm regards,

Sincerely yours,

(SIGNATURE)

Professor Manmohan Singh,
Chairman,
University Grants Commission,
Bahadur Shah Zafar Marg,
New Delhi-110002.
A.4.8 Growth profile of contribution to knowledge in terms of percentage of books and monographs (textbook production to be inducted separately)
A.4.9 Growth Profile of translation of textbooks and academic (learning materials in (i) Hindi and (ii) other media of instruction

A.5 RESOURCE DEVELOPMENT PROFILE
A.5.1 Five Yearly growth pattern of (a) income and (b) expenditure
A.5.2 Growth rate of UGC contribution, for each five year period, to development of the University.
A.5.3 Resources raised through Research Projects (ICSSR, ICHR, ICPR, CSIR, DST, DBT, International Funding Agencies, etc.)
A.5.4 Innovations in Financial Management and Resource Generation
A.5.5 Special Problems confronted by Universities as to Resources
A.5.6 Utilization of UGC Development Grants as to Faculty, Library and infrastructure development.
A.5.7 Growth Rate of Library System (acquisition of books and journals)
A.5.8 Percentage growth in laboratory space in University and Colleges

A.6 IDENTIFICATION OF GROWTH POINTS OF PEAKS OF EXCELLENCE
A.6.1 At what point of time, does the University System self-consciously begin exercise in this direction? Please highlight main features.
A.6.2 'Exogenous' identification of growth points and peaks of excellence by funding agencies. Please identify processes, accomplishments, problems.

A.7 DESCRIPTION OF PLANNING PROCESS
A.7.1 Through what processes/instrumentalities decisions concerning developmental planning in relation to the UGC are adopted?
A.7.2 Perception of the 'rationality' of UGC in allocation of resources for each plan period
A.7.3 Proposals for innovation in procedures for developmental assistance by the UGC and State Governments.

A.8 SOCIAL ENGAGEMENT PROFILE
A.8.1. Profile of activist intervention by faculty and students (on their own initiatives) in areas like gender justice, environmental degradation, struggle for the empowerment of the impoverished.
A.8.2. University-community interaction in the area of adult, continuing and extension education.

A.8.3. Percentage of M.Phil. and Ph.D. researches on socially relevant areas (i.e. areas identified in the Preamble, Part III, Part IV, and Part IV-A of the Constitution of India)
A.8.4. Interventions, if any, of professional knowledge sectors in the direction of amelioration (medicine as regards health for all, engineering as regards housing, sanitation, alternative forms of energy; law as regards legal aid and citizen empowerment, management in terms of consumer welfare and social responsibility, etc.)
A.8.5. The University system's concern for literacy as manifested by initiatives taken
A.8.6 A brief highlighting of the NSS Programme in terms of costering social engagement/among students and teachers.
A.8.7. Special Programme of remedial instruction.

A.9 PERSPECTIVE PLANNING FOR THE THREE PLAN PERIODS—
A.9.1 Academic Diversification Planning :
(i) Undergraduate courses;
(ii) honours courses;
(iii) postgraduate courses;
(iv) M.Phil.
(v) Ph.D. & Post-doctoral programmes
(vi) Response to curricular changes proposed by UGC subject Panels (including the Curriculum Development Centres).
A.9.2 Pedagogic Amelioration
(i) ensuring regularity in attendance by students;
(ii) ensuring routine and regularity in teaching;
(iii) taking tutorials/plop classes seriously
(iv) plans for research in teaching in University.
A.9.3 Planning of examination reforms
A.9.4 Anticipated Growth in University Expenditure
A.9.5 Anticipated Support for Development Assistance from the UGC
A.9.6 Anticipated rate of growth in Research Funding through Grants from other agencies
A.9.7 Approaches to Autonomous Resource Generation (rise in tuition and related fees, alumni association, university-industry interaction, trusts, endowments, bequest.)

A.10 PERSPECTIVE PLANNING FOR SOCIAL ENGAGEMENT
A.10.1 University's Anticipations of Regional Economic and Social Development and Personpower Planning Role.
A.10.2 Directions of Voluntary Institutions for Social Intervention (see, paras A.8.1 and A.8.4)
A.10.3 Planning of Equity in Access to University Education

A.10.4 Planning of Innovative Framework of University-Community Interaction.

A.10.5 Inter-varsity collaboration (within the Region, with deemed Universities, agricultural universities and institutions of higher learning)

A.10.6 Planning of SAARC and Asian Regional collaboration

A.10.7 Planned Development of Science and Technology Education, especially in light of A.10.1

A.10.8 Planning of Vocationalization and Employment Related courses.

A.10.9 Continuing Education for Educators: Professional Upgradation and Training and Assessment Programmes

A.10.10 Planning organizational structural changes for academic decision-making processes

A.10.11 Perspective on Innovative Management of University systems with focus on social engagement and accountability.

UNIVERSITY OF DLH

Resolution
Academic Council dated: 21-5-1992

The Academic Council considered the recent innovation in University financing policy made by the Govt. of India and the University Grants Commission which has the effect of—

1. Freezing the level of maintenance grant as per the financial year 1991-1992;

2. Requiring that the University system should bear the full burden of payment of D.A. and Additional D.A. announced on 7.4.1992 as well as the arrears;

3. Imposing, consequentially, that the latter burden shall henceforth rest on the University system.

After considerable discussion, the Academic Council resolved to express its deep disappointment and grave concern at this development. It fully endorsed the observations and guidelines in the Vice-Chancellor's letter dated 25.4.92 in this matter addressed to the Heads of the Departments and the Principals of the Colleges. The Academic council also reiterated that the question of raising resources including tuition fees has no relation to the basic issue of the maintenance of the University in accordance with the constitutional and statutory role and responsibility of the Union of India and the University Grants Commission; nor obviously, are resource raising exercises to meet essential maintenance requirements e.g. salaries, allowances and terminal benefits either feasible or desirable. In this connection, the Vice-Chancellor stated that he would also discuss the matter in the Executive Council with a view to evolving a more comprehensive articulation of the University's response to the above measures before the relevant authorities.
At the outset, the Vice-Chancellor, referring to the Resolution of the Academic Council at its meeting held on 21.5.1992, stated that a grave crisis in the Delhi University system had arisen as a result of the policy changes concerning financing of the University Grants Commission, and the Central Universities.

Even before the new measures were announced, the general impact of fiscal measures like devaluation had produced devastating effect on the University system, specially on the library and information system of Delhi University. Thus, for example, the nodal libraries in the University had to cut down massively on subscriptions of scientific journals which are indispensable to any University worth the name. On available information, following cutbacks have occurred:

<table>
<thead>
<tr>
<th>Library</th>
<th>No. of Journals subcribed</th>
<th>Renewed in 1991</th>
<th>Expected to be renewed in 1992</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts</td>
<td>582</td>
<td>285</td>
<td>185</td>
</tr>
<tr>
<td>Science</td>
<td>795</td>
<td>350</td>
<td>195</td>
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<tr>
<td>Rattan Tata</td>
<td>600</td>
<td>600</td>
<td>200</td>
</tr>
<tr>
<td>South Campus</td>
<td>350</td>
<td>250</td>
<td>175</td>
</tr>
<tr>
<td>Central Reference</td>
<td>*</td>
<td>90</td>
<td>108</td>
</tr>
</tbody>
</table>

(* Prior to September 91, Central Reference Library and Arts Library were subscribing to journals jointly.)

In addition, devaluation and corresponding inflation had resulted in a severe erosion of resources to meet minimum infrastructural needs for materials and equipment for teaching and research across the University, but more particularly in science subjects and courses. The freezing of grants has also necessitated severe cutbacks in the minimal allocations to all Departments but more severe difficulties are being experienced in relation to acquisition of equipments and maintenance.

The Vice-Chancellor further observed that the already parlous situation would be aggravated by the recent government decision to freeze the maintenance budget of Delhi University to its 1991-92 level. This signifies a substantial deficit of five crores plus carry forward liability for the current year. In addition, payment of two instalments of Rs. 211 lakhs dearness allowance announced recently by the Union of India together with arrears have generated additional liability of Rs. 382 lakhs.

The Vice-Chancellor informed the Executive council of the discussion that the Central Universities Vice-Chancellors had with the Chairperson, the University Grants Commission (on 23.4.92) and Dr. D. Swaminathan of the Planning Commission (on 24.4.92). The Vice-Chancellor also explained the general approach outlined in his letter dated 25th April, 1992 to the Head of the Departments and Principals of Colleges (Annexure-A). He mentioned that the principals' meeting on 3rd June, 1992 fully endorsed this approach; the situation now, and in the near future, is quite grim for colleges as well.

The Vice-Chancellor stressed the fact that the University of Delhi was among the first to innovate the notion of autonomous resource generation, a plan which was endorsed by the Executive Council in its special meeting on 17th November, 1990. The autonomous resource generation plan was directed to meet the University's developmental need which could not be reasonably met out of UGC maintenance and developmental grants. He stated that a major difficulty in substantial resource generation was posed by the policy requiring that any income earned by the University would be deducted from the annual maintenance grant, since it was

the University. Although the Vice-Chancellor had taken up the matter with the University Grant Commission quite sometime ago, it is only now that it has been informally intimated that this policy is being revised. The Vice-Chancellor also pointed out that it was the Delhi University which endeavoured to meet the deficit arising out of examination expenditure by raising fees and despite the student leaders' initial protests in December 1991 a general agreement emerged that the fee raise was justified. The University of Delhi, he observed, was not merely financially fully responsible and accountable but also had taken step, much before the current talk of resource generation, to innovate a long term resource generation programme and had conscientiously addressed itself to measures to reduce expenditure.

In a comprehensive discussion, the learned members of the Executive Council shared growing anxiety at these developments. It was observed that the present policy was not articulative of its underlying rationale; it was difficult to understand what precise national priorities and purposes were sought to be served by the present measures, and whether the budgetary freeze was short-term or enduring. It was not also clear whether any impact assessment was made at any level of even short-run costs of these measures on the university systems; some costs may well be irrecoverable (such as library resourcing) and may affect, fundamentally, the very character of the University as an academic institution, pursuing objectives of national development.

The Executive Council, after a comprehensive consideration, resolved to

(a) fully endorse the following resolution of the Academic Council (21st May 1992) on the subject:

"The Academic Council considered the recent innovation in University financing policy made by the Government of India and the University Grants Commission which has the effect of—

(i) freezing the level of maintenance grant as per the financial year 1991-1992;
(ii) requiring that the university system should bear the full burden of payment of D.A. and Additional D.A. announced on 7.4.92 as well as the arrears;
(iii) implying, consequentially, that the latter burden shall henceforth rest on the University system.

After considerable discussion, the Academic Council resolved to express its deep disappointment and grave concern at this development. It fully endorsed the observations and guidelines in the Vice-Chancellor's letter dated 25.4.92 in this matter addressed to the Heads of the Departments and the Principal of the Colleges. The Academic Council also reiterated that the question of raising the resources including tuition fee has no relation to the basic issue of the maintenance of the University in accordance with the constitutional and statutory role and responsibility of the Union of India and the University grants Commission, nor obviously, are resource raising exercises to meet essential maintenance requirements (e.g. salaries, allowances and terminal benefits) either feasible or desirable. In this connection the Vic-Chancellor stated that he would also discuss the matter in the Executive Council with a view to evolving a more comprehensive articulation of the University's response to the above measures before the relevant authorities."

(b) request the Vice-Chancellor to convey to the UGC and the Union Government its sense of deep dismay at the fact that (i) the University was no longer in a position even to maintain its libraries and laboratories, and essential academic infrastructure and services; (ii) the setback already caused by this situation will continue to persist and gravely affect the national contribution and status of the University and (iii) the freezing of the annual grant of the University and the stipulation that it bear, regularly, the
additional burden of dearness allowance and arrears from its own resources now aggravates and already debilitating situation;

endorse, the approach outlined in the Vice-Chancellor's letter dated 25.4.1992 and to affirm, in particular, the basic principle that the maintenance of Central Universities (which at the very least includes salaries, D.A. and terminal benefits) is the constitutional, social and statutory responsibility of the Union of India; no change in this position should be made or contemplated without participative national deliberation including full consultation with University system on the role of university education in India.

request the UGC to fully brief the Government of India concerning the grave consequences of the intolerable situation already created by the present measures for the nature and future of university education and urge the government to expeditiously review and rescind the present measures.

LETTER ADDRESSED TO ALL PRINCIPALS OF DELHI UNIVERSITY COLLEGES

UNIVERSITY OF DELHI

PROFESSOR UPENDRA BAXI
Vice-Chancellor

Ref. No.: VCH92/  
Delhi, the 25th April, 1992

Dear Colleague,

As you know, the current crisis affecting the University financial resources position is exceptionally severe. The crisis arises out of the decision by the Government of India to freeze the allocation of the University Grants Commission and therefore of University grants, to the level of resources allocated last year, despite a marked rise in prices all round. This means that the revised estimate for the current financial year have virtually become notional and deficit of a few crores of rupees from the previous year have to be borne by the University. It has also been decided that the University system will take responsibility of the payment of additional dearness allowances and arrears arising out of the retrospective enhancement of the dearness allowance. As you know, already two notifications enhancing the dearness allowance have been issued at a rough estimate the annual liability for the Delhi University, its administration and departments comes to well over Rs. 2 crores. The magnitude of this liability may not in money terms be so high for colleges and institutions but I understand that the impact is equally exceptional.

I am firmly of the view that both the freezing of the grants to previous year level and the imposition of liability for payment of dearness allowance create an intolerable situation for our University and is fraught with great consequence about its nature and future. I believe that the duty to maintain central universities is a part of constitutional, statutory and social responsibility of the Government of India and the University Grants Commission. Maintenance at least includes payment of salaries as well as dearness allowances and terminal benefits. Accordingly, the Delhi University by itself cannot accept in principle the responsibility for annual maintenance, wholly or partly, on salaries, allowances and terminal dues. I am happy to say that there is a general consensus among Vice-Chancellors of all central universities on this issue and that the matter is being pursued with the University Grants Commission, the Planning Commission and the Government of India.

In the interim, we have decided, without conceding the principle, to notify the concerned categories of employees as per the Government's notifications.

I understand that all universities, including ours, are encouraged to raise resources. The Delhi University is the first one to discuss comprehensively in late 1990 an autonomous resources generation plan, which was favourably received within the community and by the media. The plan could not be operationalized because until now our request to the University Grants Commission and the Government of India that any additional receipt generated under the autonomous resource generation plan should not be regarded as annual income of the University to be deducted from the maintenance grant as per the prevalent norms. Although we have yet to receive a formal communication in this regard, I am happy at the progress that has been made in the direction of a favourable response to this initiative.

We must effect every possible economy in expenditure by articulate local level planning and vigilant administration. We must also try to raise resources. But we must do so with a clear understanding that no resource generation can possibly be oriented to payment of salaries, allowances and terminal benefits. Until a major and well-worked out shift in national policy and law concerning financing of central universities is articulated for participative national deliberation, the social responsibility for maintenance of central universities must rest where it does in the current system.
Additional resource generation for developmental needs of the University system is important in itself. We must pool information concerning thinking, initiative and actual decisions at each level or unit of the Delhi University system. I would be very grateful if you kindly share with me any developments which might have occurred in this regard in your institution.

I do hope very much that the importance of universities for national development will emerge as a paramount consideration for all concerned policy makers and that this will abate the current crisis before very long.

With warm regards,

Yours sincerely,

Sd/-

(UPENDRA BAXI)
It is in this perspective, which I am sure that you will appreciate that we turn to you for decisive intervention at this critical juncture. I stand informed that the situation is now so grave for the University of Delhi that if present measures are not reconsidered expeditiously, the University may not even be able to pay the salaries by November-December 1992!

In the Academic Council and the Executive Council suggestions were made that we take a delegation to the Hon'ble Visitor and the Prime Minister to put across our viewpoint and difficulties. But it is appropriate that I approach you with an anguish about the future of Delhi University. I do hope that you will give this matter the highest priority it deserves and I would be happy to meet with you at your convenience to elucidate further the nature of the current crisis.

Yours sincerely,
Sd/-
(Upendra Baxi)

Encl:
Shri Arjun Singh,
Hon'ble Minister for Human Resource Development,
Ministry of Human Resource Development,
Shastra Bhawan,
New Delhi-110001.

For enclosure please see Document—5.

UNIVERSITY OF DELHI

Dear Shri Arjun Singh Ji

May I draw your kind attention to my letter No. VC/92 dated 13th June, 1992? Subsequent to the letter I had the privilege of raising the matter with you when we met briefly on the occasion of Arjuna Award at Rashtrapati Bhawan where I again drew your kind attention to the urgency of the matter.

The urgency, to reiterate, lies in the fact that our admission process will be soon completed. At this point of time, while the University has somehow disbursed the dearness allowance/additional dearness allowance with arrears of Rs. 211 lakhs, quite a few colleges are simply unable to meet their obligation causing great anxiety and restlessness among the karamchari, teachers and the managements. Terminal dues such as the provident fund, gratuity etc. are also getting delayed.

I do not personally think that measures of grants freeze and the decision that we meet D.A. out of our own resources can be implemented at all; and the amounts involved for Delhi University and all other Central Universities are not of such a staggering magnitude as to cause very great dislocation of fiscal discipline measures. As against this, any dislocation of academic schedule and growing resort to direct action by students, karamchari and teachers of Central Universities would pose serious problems for the Central Universities, the society and the State.

I would again like to assure you that the University of Delhi is extremely conscious of the need for utmost economy and of resource generation. As per the enclosed minute of the Executive Council of the special meeting held on 17th November, 1990 I had myself initiated a substantial programme of autonomous resource generation which could not be put into operation until the rule of practice requiring deduction from maintenance grant of any income earned by the University was abolished. The Chairperson, U.G.C. informs me that a decision to this effect has been taken and we are awaiting a formal communication. On a general estimate, the University of Delhi needs to raise resources of the order of Rs. 300/- crores to provide essential facilities like faculty housing, library space, post-graduate students hostel, working women's hostel and campus renovation. Clearly the plan for autonomous resource generation addresses these aspects, and not the issue currently raised by present measures of the Government which require D.A., and in the course of time a part of salary payment by the University from its own resources. The present measures adopted by the Government have far-reaching implications on the nature and future of University education in India and they should be preceded and accompanied by a wholesome cost benefit analysis to the nation by a programme of national debate and consensus. I do hope very much that this problem is now receiving your priority attention. If the problem was not of such a severe magnitude I would not have intruded so insistently on your precious national time.

With warm regards,

Yours sincerely,
Sd/-
(UPENDRA BAXI)

Encl : as stated.

Shri Arjun Singh,
Hon'ble Minister for Human Resource Development,
Ministry of Human Resource Development,
Shastra Bhawan,
New Delhi-110001.
UNIVERSITY OF DELHI

EXCERPTS FROM THE MINUTES OF THE SPECIAL MEETING OF THE EXECUTIVE COUNCIL HELD ON

Saturday, November 17, 1990 at 3.00 p.m.

1. The special meeting of the Executive Council convened on 17th November 1990 discussed in detail the alternative approaches to both internal and external resource generation. The Vice-Chancellor stressed that the whole exercise relating to resource generation "must be related to the objective of strengthening the autonomy of the university as a going entity." It was highlighted that the existing procedures followed by the Government and the UGC are such that the University may continue to have severe problems of finding adequate funds to meet its urgent needs unless steps are taken for independent resource generation.

2. There was a consensus that additional resource mobilisation is necessary not only to meet the budgetary deficits for maintenance and ongoing functions of the university but also to meet the most urgent developmental needs.

2.1 In regard to maintenance and ongoing functions the University has been facing severe budgetary cuts in the last two to three years. The cumulative deficit over the last three years has been of the order of about rupees three crores, which was mainly due to severe budgetary cuts imposed by the UGC/Government of India. It is likely that the deficit will grow further in the coming years because of additional establishment expenditure, rising costs of servicing, growing expenditure on account of increase in the number of students and teachers, and introduction of new courses and programmes. Besides escalations on account of statutory and other allowances on the pattern available for Government employees and statutory increases for daily wages, and other administrative expenditure will further accentuate the need for additional funds. The problem is likely to be complicated further because of the severe reserve crunch facing the country.

3. In regard to developmental needs of the University these can be analysed in two parts. First, there is a need of capital funds for new buildings and facilities, extension to existing buildings, housing, library resources, health care facilities, students hostels and amenities, conference rooms etc. And, second, there is growing need for institution of more scholarships, fellowships, endowment chairs, funds to enable teachers and scholars of advanced research to attend conferences, seminars, workshops and also establishment of new campuses, new departments in such of those new disciplines started both at the undergraduate and post graduate levels in the last few years. The Council felt that it was not possible to address itself to the above needs because of very limited plan funds.

Resource generation strategies will not only help us to meet the above needs but will also enable us to diversify our activities into new areas thereby assuring greater opportunities for further growth and development of the University.

4. After taking into account the above needs, the Council agreed that it is necessary to consider both internal and external resource generation strategies. It was pointed out that the limiting factor in the internal resource generation that there may be a de minimis reduction in the grant sanctioned by the UGC should not be considered as an inhibiting factor, as it is possible to negotiate with the UGC/Government at a central platform certain changes and arrive at new norms in the existing grant in aid funding formulation.

5. There was a broad consensus in regard to the following proposed measures for raising additional resources:

(i) Contribution from the alumni and friends of the University by way of foundation membership and annual subscription. In addition, old students and friends of Delhi University who are well placed in life both in India and abroad may be approached to provide sizable contribution which would entitle them to the honour of being called Patrons of the Alumni Association.

A revitalized alumni association is of course, critical to the overall development of University culture. It was felt that the University should open its communication channels with the alumni and some university friends inform them about the development at the university on a regular basis. To start with it was suggested that a brief report on the growth of the University and its achievements in the last decade may be circulated among them.

(ii) The University currently is in receipt of several endowments, small and big. It is possible that there is still further scope to explore the scope of more bequests and grants from the well-wishers, other beneficiaries, donors etc. For this purpose it was suggested that a committee may be formed to identify possible sources of bequest and endowments and to follow this up in a more systematic manner.

(iii) As part of funding for our science departments, it may be necessary to develop a patent culture in the university. It is possible to sell the well-developed patents of some of the results of our research and to encourage particularly to work out a royalty sharing agreement whereby royalty of the patentable inventions can be shared between the individual inventor, the department concerned and university. A beginning has to be made in this direction by first preparing an inventory of such potential patents and taking steps and programmes of discussion in this regard. An examination of this matter must remain adverbial to the potential detrimental impact of university industry interaction on the university systems in the light of the global experience of such impact.

(iv) The University undertakes several research projects with financial assistance from various institutions like CSIR, DST, UGC, etc. and in such cases, say up to 15% of the cost of the project can be included to meet the expenditure on the project on the infrastructural facilities to support these projects. In fact in the case of CSIR and a few other projects already such facilities are being availed of. In the case of UGC, lately the university includes in budgetary provisions certain percentage to cover the needs of infrastructural facilities. However, this process is perhaps to be put on regular basis with the request for enhancement of the percentage of these projects to cover administrative and service charges.

(v) It was suggested that the scope and the functions of the University-industry interaction cell may be widened in such a way that it can help the university in raising additional resources from the industry on a continuing basis to support the academic and research programmes of the university at the same time without necessarily affecting its autonomy.

(vi) It was suggested that new areas of external resource generation in the form of assistance from financial institutions like IFCI, IIG, UTI, State Financial Corporations and other agencies may be explored. Concrete steps may have to be taken to establish links with these institutions to build long standing relationships for mutual benefit.

(vii) As a specific measure for helping the disabled and the economically weaker sections of the students, University should strengthen its relationship with social and...
voluntary agencies in a systematic manner so as to generate external resources to help these students.

6. There was a broad consensus in regard to the need for increasing the examination and other fees particularly in the case of post-graduate students and also entrance examination fees in regard to professional courses. It was pointed out by several members that the fees have remained the same over several generations. While it was recognised that any enhancement of fees will not generate the order of resources currently required, it was felt that even an annual increase generating a modest revenue of Rs. 2 crores should at least be attempted as it would strengthen the commitment of the University for resource generation and entail student participation in the process. More specifically, the following increases were agreed upon in principle:

(i) Keeping in view the continuous increase in the number of students taking various types of examinations and the difficulties experienced by the examination branch in meeting its regular expenditure incurred for conducting various examinations, it was suggested that the examination and other fees charged for rechecking, supply of marksheet, registration fee for external candidates, enrolment fees and evaluation may be increased by 50%. A similar increase was suggested in respect of professional courses, M.Phil., Ph.D., etc. with a view to meeting at least a part of the actual expenditure incurred for conducting these examinations.

(ii) Increase in the annual fees of the candidates of the Non-Collegiate Women's Education Board from Rs. 180 to 240 was suggested in order to make it self-supporting. However, in view of the fact that the fees were only recently revised it was felt that another increase should be made a part of package of internal resource generation as and when finalised.

(iii) All the members of the Executive Council noted that the fees collected from undergraduate and post-graduate students have virtually remained stagnant over several decades. The idea that the fees of post-graduate students who are directly admitted to various Departments and Faculties of the University be raised by 25% was also discussed. Everyone agreed that the question of raise in tuition fee must be discussed at various levels with students and in particular with the DUSU and DUTA.

(iv) It was also suggested that in the case of professional courses like Engineering, Management etc., there was some scope for bringing the fees in line with those charged by the I.I.T. and Indian Institute of Management.

(v) A suitable increase in laboratory fees to cover at least a part of the increase in the cost of laboratory materials, equipment etc.

(vi) The issue of increase in entrance examination fees in respect of professional course (like MD, MS, MCA, MBA, B.Ed., etc.) by 50% was also suggested.

(vii) An increase of Rs. 5/- in respect of migration and provisional certificates and also the sports fees collected from the students was also suggested.

(viii) Regarding increase in the price of publications (such as prospectus, syllabus etc.) it was felt that it must be related to the cost of publication and should be suitably raised periodically.

(ix) A minimum of Rs. 20 per application form for recruitment to various teaching and non-teaching posts in the university mainly to cover part of the cost on account of printing of forms, advertisement charges, selection committee expenses, etc.

(x) Development fees: As in the case of students who are paying development fees of Rs. 60 per annum which is collected by the Colleges, there was a broad consensus that similar Development fee of at least Rs. 100 per student per annum be charged in respect of students who are directly enrolled in the post-graduate courses in development academic needs of the university.

7. At present the University grants a subsidy of about Rs. 4,063 per student for those who stay in PG hostels on the campus. It was suggested that a committee may be constituted to examine the feasibility of enhancing the establishment and other charges a well as to effect internal economies.

8. In regard to library system, it was felt that the UGC funding pattern would continue to be insufficient to meet its needs for expansion and development and also to carry out its modernisation programme through computerisation etc. In this context, it was urged that systematic efforts will have to be made to generate additional resources with the help of various foundations, International Agencies, private and public trusts etc. The question of expanding its physical facilities to take care of the needs of teachers and research scholars should be given particular attention in this regard.

9. Further the following additional measures were suggested towards resource generation:

(i) An amount of Rs. 200 p.a. per postgraduate student and an amount of Rs. 500 p.a. per Ph.D./M.Phil students to be collected as library fees.

(ii) Undertaking publication of Ph.D. theses to generate additional resources.

(iii) Opening University bookshop and running it on commercial lines to generate surplus.

(iv) Donation by students of their library security deposit.

(v) Appeals to members of the community, particularly alumni for donation of books and other publications.

(vi) In addition it was stressed that there is a need to reorganize the whole Library system so as to bring about better coordination between the different Departmental and Faculty libraries by avoiding unnecessary duplication of efforts.

10. Finally it was stressed that the Department and Faculties should become cost conscious and introduce measures which would bring about greater economy in their expenditure. Strict vigilance over the use of telephone, postage, travel, printing of the functionaries of the committee and the use of inland letters and post card in place of costly stationery etc., were cited as examples of some measures to bring about greater internal economy and efficiency in our operations.

11. The Executive Council appreciated the need for wider consultation with the academic fraternity of Delhi University on many of these proposals. While appreciating the initiative of the Vice-Chancellor in organizing the special meeting for internal and external resource generation, the Council requested that the entire documentation placed before it be suitably elaborated by the Vice-Chancellor in the light of the discussions of the Council, and in particular in terms of spotlighting the urgent needs of the University system which cannot simply be met by the existing traditional financial procedures.
Dear Shri Arjun Singh Ji,

Thank you for your kind letter No. F-20/92-U.I. Dated 28th June, '92 (received on the afternoon of 2nd July, '92) inviting the Vice-Chancellor of the Central Universities on 7th instant to discuss the issue relating to the freezing of grants to all Central Universities and the requirement that dearness allowance should be paid out of their "resources".

In this connection, may I refer to my letters of 15th June, '92 and 25th June, '92 concerning the specific position arrived at, after due deliberation, both by the Academic Council and Executive Council of Delhi University. I hope that a perusal of these communications would have convinced you about the logic of the position adopted by the Delhi University. The payment of salaries, increments, dearness allowance and terminal benefits stands included, at the very least, under the maintenance grant and it is the constitutional, statutory and social responsibility of the Union Government, as well as of the UGC, to provide for this. Of course, 'maintenance' of universities has never been, nor can ever meaningfully be, exhausted by only these items of support.

This being the position, I wonder whether the suggestion of the UGC that "a rational formula should be evolved for working out the maintenance grant of Central Universities" really signifies. A rational policy which has been the national policy already exists since the independence of India, insofar as the minimum maintenance obligations are entailed; to this extent, no open-ended term of reference which allows even the slightest possibility of revision of minimum maintenance norms should ever be contemplated.

But as we all know, maintenance is not just a matter of salary increments, dearness allowance and terminal benefits. As the Executive Council resolution dated 4th June, '92 has highlighted, and as your own letter points out, the general economic situation prevailing before the 'freeze' has led to 'degradation' of academic "infrastructure". It is in this regard that evolution of additional 'rational norms' and procedures for maintenance is called for.

Delhi University's position is clear and it will remain so; this is also, I believe, the position of all Central Universities as it emerged from discussions by central university Vice-Chancellors with the UGC and the Planning Commission in April, 1992.

Accordingly, I am not persuaded that the expert committee contemplated should have as its term of reference evolving 'rational norms' for maintenance grant. Such a formulation by its ambiguity opens up the fundamental issue of the constitutional, statutory and social responsibility of the Union of India to all Central Universities.

Such a term of reference requires to be preceded by explicit decision of the Union Government, open to collective deliberation inside and outside Parliament and among all those concerned with University education. It must also be borne in mind that maintenance grants for State Universities are also based on the same fundamental principle of state responsibility for University education; accordingly, any open-ended or ambiguous quest for 'rational norms' for maintenance of the University system carries potential of nationwide repercussions.

I would accordingly request you to kindly consider whether it is at all appropriate to make beginnings on national policy on maintenance of Indian Universities through informal consultations with the Central University Vice-Chancellors and the UGC rather than through appropriate normal governmental and democratic processes.

One of the purposes of the meeting is "benefit of experience and advice" of Vice-Chancellors of Central Universities to help you to request the Finance Minister to provide additional funds requested by the Chairperson, UGC, during the current financial year. May I be permitted to say that the Vice-Chancellors should not be assigned such a mediatory role. I say this in view of the possible impression that might be created that either yourself or the Chairperson of the UGC or Vice-Chancellors of Central Universities are evolving a modality of intrusion or impact in the day-to-day functioning of the Government of India.

I must also point out that the question of grants freeze and resource generation for the dearness allowance disbursement is not a question limited to the current financial year. The proposed term of reference leads to the possibility of an interpretation that the present system of national maintenance norms is not "rational" and a new "rational formula" should be evolved. Such an impression may even imply that until a "rational" formula becomes available, the financing of universities will require an annual cycle of negotiations marked by a sense of impending crisis, and even adversarially. The creation of such an impression even inadvertently, should be avoided in the absence of an explicit decision by the Union of India that the national policy on minimum maintenance grants to universities (both Central and State) needs an altogether fresh look.

Given this analysis, I believe that it is necessary that the Government, upon consideration of my recent letters and such other communication received from the UGC and Central Universities should act decisively for the expeditious reversal on grants freeze and the dearness allowance measures. A consultation with Vice-Chancellor and a follow-up committee should emerge as a subsequent step. And even that step must be directed towards the formulation of additional norms for provision of maintenance grant to Central Universities with regard to issues such as: (a) how to generate resources to prevent academic infrastructure degradation in view of the general economic situation, which makes University systems most vulnerable, (b) how to evolve rational norms for equitable distribution of federal grants among the Central Universities in terms of their specific histories, size of enrolment, and diversity of academic programme, and (c) how to remove obsolete roles/practices which impede resource generation (e.g. the requirement that all receipts from resource generation will be deducted from maintenance grants).

If I have highlighted some of the issues rather forcefully I have done so because I believe that the matter of changes in University funding policy is not simply a matter of reducing government expenditure. If the matter were that simple, and did not involve the fundamental issues of national development for which the notion of dignity and autonomy of the Universities is crucial, the answer will clearly be to reduce expenditure all along the line, regardless of impact on the future of the nation. Even before the "freeze", the University system was already in a state of neglect. And they have so far continued to escape policy attention and so far, have been given a "hasty" hand. Until such time, a policy announcement to freeze grants not only "hasten" the process but also demonstrate to the Universities, that the Government has not listened to their demands. Any other way of proceeding, I apprehend, may cause avoidable aggravation of the already highly volatile situation on central university campuses.

With warm regards,

Yours sincerely,

Sd/-

(UPENDRA BAXI)

Shri Arjun Singh, 
Honorble Minister for Human Resource Development, 
Ministry of Human Resource Development, 
Shastri Bhawan, 
New Delhi-110001.
PANEL SOON TO EVOLVE NORMS FOR UGC GRANTS

Vice-Chancellors of Central Universities meet the Union Minister for Human Resource Development, Mr. Arjun Singh, today (Tuesday) to discuss the financial crisis in the wake of grant freeze imposed by the University Grants Commission. The Minister indicated that a committee to evolve norms for provision of maintenance grants to the Central Universities will be set up in consultation with the UGC Chairman. However, according to one Vice-Chancellor, the exercise smacks of redundancy.

"What is there to discuss? ask Professor Upendra Baxi, Vice-Chancellor of Delhi University. "Maintenance of the University is the constitutional, moral, legal and social responsibility of the Government, and in accordance with full rational norms. There is nothing to be said." The Vice-Chancellor is of the opinion that it is clear that maintenance includes salary, dearness allowance, increments and terminal benefits. "That much is not negotiable."

If the burden imposed by the additional dearness allowance is not absorbed by the Government, the university would reel under a burden of an additional Rs 22 to 23 crores in another 10 years time, an amount that is equivalent to the sum total of the entire maintenance grant at present. "Where do I get the money from?" the Vice-Chancellor asks. "By November this year, I will not have the money to pay even the salaries." Moreover the high rate of inflation, devaluation of the rupee has resulted in enormous increase in real terms even at last year's levels of expenditure.

"Is there an education policy? Does anybody think about education at all in this country?" Professor Baxi asks, stating that the grants freeze has been imposed thoughtlessly. "There is no serious homework here." Defreezing and restoration of the budget will mean little if the committee is going to consider rational maintenance norms! "Minimum maintenance is rational, as far as I am concerned," he says. If the idea of maintenance has to be discussed, there should be a debate on the education policy and self-financing of institutions of higher learning. Until there is a shift in the policy and alternative sources of funding are identified, the status quo should be maintained.

The role of universities, according to Mr Baxi, has never been acknowledged. "They have never been seen as equal partners in national development. "We are not mendicants or supplicants with a begging bowl, our demands are made in the name of society, for a social mission," India boasts of the third largest force of scientific and technical manpower. "Who has produced it? Not political parties and the media, but the universities and generations of teachers."

Pointing out this was the second time in a year that the UGC had taken a unilateral decision first and followed it up with offers of discussion (the first instance being the introduction of the UGC Bill), the Vice-Chancellor says "we should be accorded the civility of consultation and the dignity of dialogue."

The concept of maintenance grants has been an impoverished one, with 90% being spent on salaries and essential administrative expenditure and only the remaining going into buying and replacing scientific equipment in laboratories, buying journals for libraries, organizing seminar and inviting scholars, which are essential inputs for an academic institution. "The university does not exist to pay salaries alone, but to serve academic needs." However even if one were to do away with the idea of a university and the academic inputs it required, it would still be impossible for the university to meet the burden of payment of the additional dearness allowance, the Vice-Chancellor continues. If the expenditure on salaries is to be curtailed, it would involve reduction of staff and removal of courses. In that case, a policy decision to the effect is required.

The other alternative before the university was to raise internal resources. Delhi University initiated a move for internal resource generation in 1990 in order to meet the infrastructural needs not met by the grants. However this exercise was stopped when it was realized that according to the UGC rules any additional income the university was able to generate would be deducted from

the maintenance grants given by the UGC. The university had approached the UGC for clarification, and it was only now that it had been told that the rule would be scrapped. However, so far no official communication to the effect had been forthcoming, and it appeared as though the proposal for internal resource generation by the university was being seen as the rationale for the university to meet the shortfall caused by the grants freeze.

"The idea has been hijacked and denatured," Professor Baxi stated. However even if the idea of internal resource generation was adopted, the university would still not be able to meet the deficit caused by the additional dearness allowance. For even, by raising fees, or seeking donations from philanthropic organization would not enable it to meet the Rs. 11.50 crores that was required over a period of five years.

The idea behind internal resource generation, which had been to improve library facilities, provide housing to teachers and hostels to students, associated academic facilities, was in order to provide the university with an academic atmosphere. However even its minimum maintenance needs were not being met. The battle was for dearness allowance, but the war would have to be waged for recognition of universities as equal partners in development.

The Government, Professor Baxi acknowledged, was attempting to reduce the fiscal deficit. However it made a mistake in equating universities with commercial enterprises, whereas the university was a service enterprise.

The Government was under an obligation to reduce the fiscal deficit as long as it opting for a certain model of development. The Government's argument is that needs of the social service sector could be met later. However the social sector had suffered a good deal, and become less visible. "The agenda of equity has disappeared, and the Directive Principles of state Policy have ceased to exist. Education is just a small part of it."
ARJUN ANNULS UGC FREEZE ON GRANTS

The Union Minister for Human Resource Development Mr Arjun Singh on Wednesday announced the de-freezing of maintenance grants to Central universities.

Mr Arjun Singh announced this here at a meeting with the Vice-Chancellor's of the Central Universities. He reiterated that the age-old principle of autonomy to universities would not only be maintained but also strengthened as it formed the cornerstone of the higher education system in the country.

"We should take note of the global economic realities that impinge on the academic world", said Mr Singh adding "in the present difficult circumstances there is the need for sharing concerns and come up with mutually agreed solutions."

According to sources the Vice-Chancellors agreed with the Minister that while the immediate problem would get sorted out with the latest decision of the Government from the long-term point of view.

MEMORANDUM SUBMITTED TO
THE HONOURABLE MINISTERS FOR FINANCE
AND HUMAN RESOURCE DEVELOPMENT,
GOVERNMENT OF INDIA

ON
THE FUNDING OF UNIVERSITIES

by
ASSOCIATION OF INDIAN UNIVERSITIES
AIU House, 16 Kotla Marg, New Delhi 110 002
Tel : 3315105
August 19, 1992
The Association of Indian Universities (A.I.U.), being, inter alia, a coordinating agency for the universities, is deeply concerned with their deteriorating financial health during the recent years, which has been further aggravated by the problems created by various financial exercises related to "restructuring" of the Indian economy. It seeks, therefore, to place, before the Government of India, the following Memorandum for its serious consideration and action.

I

SOME PERSPECTIVES

We submit below certain fundamental perspectives for your kind consideration, which, we hope and believe, will receive your total endorsement:

(i) The cuts in grants to universities have been effected for quite some time now. It is not a phenomenon associated only with the new economic policy, the last budget and the reduction of grants. The situation of universities has been deteriorating for a considerable period of time. An AIU study, based on the analysis of pattern of income and expenditure of eighty universities for the period 1984-85 to 1988-89, has demonstrated that: (a) about 98 per cent of the universities suffered from financial deficits in different years; (b) 45 per cent of them had deficits for one to two years; (c) 40 per cent of them experienced budgetary deficits for 3 to 4 years; and (d) 12 per cent of them suffered from perpetual deficits during all the five years for which the data were analysed. Moreover, a large number of universities suffered from higher magnitude of deficits, in the range of 2 to 10 per cent, or above, of the total university expenditure. In the recent two years, the financial trouble has worsened due to the bunching of DA arrears and rising costs of educational inputs as the rise in prices has remained unabated, tariffs on electricity and telephones, and other communication media have risen, petrol/diesel costs have increased and the purchase value of the rupee has gone down due to its partial convertibility.

(ii) Only about 6% of the country's population in the relevant age group is in the higher educational system today. Therefore, the enrolment of students, and the number of universities and colleges, is bound to increase further during the coming years, exerting further pressures on the finances of universities/colleges (even assuming, however, that a substantial proportion of them would be diverted to the distant learning mode).

(iii) Despite the recommendations of the NPE, 1968, and the NPE, 1986, which had laid down 6% of the GNP as the desirable norm, the investment on education has increased only from 2.6% in 1966 to 3.5% in 1991-92. It has further to be noted that, whereas, the Kathiri Commission which had recommended 6% of the GNP was based on the unit cost calculated by them and the requirements of education, no such exercise for reiterating 6% of the GNP seems to have been undertaken by the NPE, 1986. The requirements of education in 1986 may have been even higher, had they been scientifically calculated.

(iv) Now that education is in the Concurrent List, the Central Government's approach to the funding of State universities and colleges can no more be ad hoc, nor can it pass off the full responsibility to the States. (In the following section, an analysis of the funding by the U.G.C. to the Central and State sectors, has been provided which amply highlights the presently existing distortions and imbalances).

(v) While education at other levels (including primary) must take its legitimate place in this country, it is equally axiomatic that India would also need its increasing pool of highly skilled and enlightened human resource to take leadership positions and to play their due roles in the political, economic and social transformation and development of the nation. Devaluing one for the other has no meaning since the larger numbers being netted into an improved primary school system are likely to move up the educational ladder. Only appropriate investment in higher education can assure such manpower. It must not be overlooked that India is one of the few developing countries
that has a high level of self-sufficiency in skills and does not have to import them. Our present policies should not lead to irreversible damage of an infrastructure which has been so painstakingly built up over the decades after our freedom. While we continue to play the educational system for various reasons, in fact, this achievement must be borne in mind.

(vi) It has to be basically recognized that education is a social responsibility in which the costs have not been looked at merely as expenditure but as a social investment. Moreover, it has to be realized that for the development of the society, the role of the Government(s) to assure the flow of funds to the universities at a certain minimum level to maintain the autonomy in its academic affairs and not to be confused.

Perhaps nowhere in the world, has education a self-generating financial potential. A commercial model of education in a capitalist social structure, permitting entry only to a small fraction of the population with a biased approach, is a highly debatable issue. Besides, privatising higher education even partially, has its own hazards, as our experience in the State of West Bengal has indicated. The implications and possible effects of the decision need to be assessed in relation to the capacity of universities to generate funds and the obligations of the Government to support education.

(vii) Less financial dependence on the Government, movement towards self-reliance, and insistence on the universities, in the present economic scenario, to achieve targets with less financial outlays through improved management and productivity, making the institution's resources and processes more efficient and productive, optimizing the institution's resources and processes. The future of a university, already facing the pressures of increased cost, needs the encouragement of the private sector, should be sound and even desirable, but it must not appear to have been envisioned and assessed by our planners that in the climate that does not exist in the country, how much of it can be realistically achieved. Do the pre-requisites for such an approach exist in our country? Can the cooperation of all the elements inside the system be achieved, and the cooperation of all the elements inside the system be achieved?

(viii) Industry-university linkages also require to be examined, since the industry mainly looks for confidential reports of use for its internal requirements, whereas, the data generated by the work of the faculty should be available to the community. Similarly, the intellectual property rights of research go to the university; the future of a university, exclusively involved in such courses, would destroy the very basis of its existence as an academic institution.

(b) It must also be recognized that not all universities are located in regions which are served by industry, let alone having gained a significant interest in interfacing with universities. Hence, reliance on such generation of funds has potential, but it cannot make universities self-reliant.

Finally, preoccupation of universities to generate such funds would lead to the neglect of the major vital sector in our economy, who need the best attention of our universities through their varied programmes of teaching, research and extension, namely, the rural agricultural sector, including small and marginal farmers, landless labour, tribals, unorganised sector, women and children.

Focus on these groups requires to be increased in our university activities. With pressure on universities to achieve greater economic self-sufficiency, those sectors will not get the major focus they deserve. In fact, all the money-making, capitalization fee institutions are related to commerce, industry, business and the high paying professions. They exclude the concerns of the above-mentioned groups. Hence, while some sectors of a university could well raise income, by and large, most departments will not have this potential, nor should it, if it is to be concerned with the wider issues of our society.

(ix) All of education cannot be subjected to market forces. There are areas of study in universities for which there are fiscal considerations. However, enhancement of knowledge in these areas cannot cease because they are not fashionable choice areas for students, or have potential for generating marketable skill, such as ancient history, culture or languages. Teaching and research in such areas would need to continue, regardless of their popularity at a given point of time.

Moreover, universities are not even free to close down unviable departments due to the present rules which protect employment. Hence, universities are not, like industry, free to serve only the objective of earning profits. Centres of excellence in universities cannot generate funds but the investment made is in generating the human resource capable of adding to the development of all society through the human service professions, industry, commerce, agriculture and the very field of education itself.

(x) Unrealistic fee structures are a direct result of the political exigencies which have prevailed. Suddenly expecting them to raise fees, as a resource, will not be possible without political consensus of funds being raised at the highest level. Even then, the percentage of income from fees will be negligible. It can rarely go beyond 10 per cent.

We must also recognize that we are still largely a poor country. For many students, higher education means movement up the social and economic ladder and the gradual increase in the middle class of this country which is larger than the whole population of Europe. For them, the fee burden is great even now. Any substantial increase would effectively, curtail their education.

Not all of the economically disadvantaged, including those in minority groups, come under the various scholarships given by the Government.

(xi) Universities can generate funds through such means as having a greater number of correspondence courses or open university system, shift system and evening courses, making hosts and hostels self-sufficient, or to a large extent making examination costs self-sufficient, etc. However, to accomplish these goals requires time. The sudden decision of the Government to move universities to "self-sufficiency" gives no lead time, or phasing, to accomplish a greater resource generation. Within the university system, a great deal of opposition is generated when there is any increase, let alone the interference of political forces outside it. Generating such funds overnight is not possible. A lead time of several years will be required for changes to be effected.

The lowering of the deficit is the goal of the Government of India to achieve what is being termed as "restraining". However, if this goal is achieved through the means of passing on the deficits to vulnerable sectors of education, health or welfare, it will not be achieving social change but taking a regressive step. The gap in social welfare will only be shifted to them.

(xii) One can generate funds from sponsors/donors for what is attractive to them such as buildings, projects or a few prestigious chairs, but no one will be willing to give funds for a D A increases, increments or terminal benefits. These will have to remain the recurring burden of the Government-central or state.

(xiii) The distinctions between central, state and deemed universities, and between the needs of residential universities as opposed to affiliating universities, exist to an extent that we are creating inequalities in education which are ingrained in our society at large. Whatever the source of funding - centre or state - equity in the way grants formula are evolved, needs to be given considerable attention. No thought has been given to the actual needs for university funding, whether funded from one source or another, and how to optimise central-state resources for the purpose. No study or government white paper exists on this subject.

(xiv) Autonomous organizations, like the Association of Indian Universities, play an extremely important role in the field of higher education. It is well recognized by all the concerned individuals and the bodies and the Governments. Their appropriate funding by the Government is as important as that of the universities and colleges. (In the following section the present state of the A.I.U. finances has been presented for purusal).

On the whole, an impression is created that universities are being pressurized into models the practicability and implications of which have not been adequately discussed and perceived. To ensure that the new policies do not lead us two steps forward, while we take one step backward, we consider it necessary to take a look at the question of university funding is viewed from a holistic and long term perspective, with appropriate and well defined government policy support. This
exercise needs to be taken up in right earnest, on a priority basis by the government of India and its two ministries of finance and human resource development.

II

UGC: FUNDING OF CENTRAL SECTOR AND STATE SECTOR UNIVERSITIES AND COLLEGES

Around the 1980s the UGC received 250 crores (approximately) from the Centre as plan and non-plan grants. Out of it, 1/3rd (Rs. 80 crores approximately) went to Central Universities and the remainder, which was twice the above amount, to the State Universities. A decade later, around the 90's, the grant from the Centre went up to about 400 crores, but 75% of it went to Central Universities. (Around Rs. 55 crores out of Rs. 300 crores went to the Delhi colleges which number 54), and only 100 crores to the State universities. The figures in Table (1) amply illustrate this point. During 1990-91, of the total allocation by the UGC, 63% was spent on non-plan grants while the remaining 37% comprised the plan outlays. In 1983-84, the non-plan component constituted 58%, whereas, it had increased to 63% by 1990-91.

Table (2) presents the unbalanced picture even more prominently. In the Central sector, there are 9 Central Universities (out of 10), about 10 'deemed to be' universities and 54 Delhi colleges, maintained out of the UGC funds. In the State sector, there are about 140 State universities, 20 'deemed to be' universities and about 4300 colleges receiving UGC funding. (The Universities and colleges not receiving UGC funding, as also non-university institutions, have not been taken into consideration in Table (2)).

Out of the total allocation of 370 crores 35.1% went to Plan grants and as much as 64.9% to non-plan grants. The total non-plan expenditure for the above institutions was Rs. 23,973.3 lakhs. Out of this, only 2.9% was spent for the State sector, and as much as 97.1% was allocated to the Central sector, to cover the maintenance expenditure of the Centrally maintained institutions. The total allocation during 1990-91 totalled to Rs. 12,966.93 lakhs. Out of this, 19.5% went to the Central sector and 80.5% to the State sector.

The total plan and non-plan grant for the colleges was Rs. 84 crores Rs. 32.45 crores and Rs. 51.49 crores, respectively. It constitutes 22% of the total UGC funding as compared to 45.6% for Central Universities, 11.3% for Deemed to be universities, 18.1% for State universities. The colleges receiving UGC assistance are about 4300, out of which 54 are Delhi colleges, totally maintained by the UGC. The remaining 4246 colleges in the States received only Rs. 55 crores, and the remaining 4246 colleges in the States received only Rs. 29 crores. The annual UGC grant to a Delhi college varies from Rs. 1.3 crores to Rs. 1.5 crores whereas, the grant to a State university for a full five year period is almost of the same order. (See Table (1)). The figures speak for themselves and adequately reflect the imbalance between the Central and State sectors.

It is reported that, since funding was difficult, the UGC had to divert plan funds to non-plan expenditure, i.e., maintenance. This practice would have disturbed the balance between the Central and State sectors still further, since maintenance grants essentially go to the Central sector. However, it is said that, even before the budget was cut, the UGC had decided to discontinue this practice as the State Universities were complaining that their development was being stifled by a few large grant central institutions. None the less, the basic imbalance which had arisen during the previous years, continues unmodified.

The approach of funding, as adopted by the UGC to provide both plan and non-plan grants to select institutions, and merely plan grants on matching basis to a large number of others, while a number of other higher educational institutions are hardly eligible for financial support, seems to have outlived its utility, particularly, in the context of the constitutional provision, according to which the responsibility for the development of education by the Centre and the States has been viewed in its entirety by its inclusion in the 'Concurrent' List. The above, therefore, calls for the evolving of a rational approach to funding of comparable programmes irrespective of the type of university - Central or State. The solution is not reallocation within the present funding parameters by diversifying from one group of universities to another, but a very realistic appraisal of the required resource base of all universities with an adequate share from the Centre to State universities to make education on the concurrent list a reality.

Another important aspect has also to be noted. Since the UGC developmental grants to State institutions are given on a matching basis, the State government would be hesitant to provide the matching component for fear of increasing the burden of their non-plan expenditure. Consequently, these universities lose the plan grants provided by the UGC. This situation is likely to be further aggravated in case of budgetary cuts.

The growing non-plan expenditure of the States would be reflected in the States' budgetary deficits which will be dealt with by the Finance Commission. The prevailing perception of the Government about the allocation of funds for university development might influence the approach of the Commission to assess the State's needs on non-plan account, generally, and higher education particularly. Moreover, the universities, which have residential campuses, have to have a large staff and maintenance costs of upkeep, compared to affiliating universities. A third category are partly residential and partly affiliating. The cost of education on these differently constituted university patterns, needs to be determined. In fact, the data show that, while affiliating universities serve 80 per cent of higher education, they have less financial support either from the Centre or the States. Similarly, universities in less accessible or backward regions need specific consideration.

III

AUTONOMOUS ORGANISATION IN THE FIELD OF HIGHER EDUCATION

Among other autonomous organizations, the Association of Indian Universities (AIU) too has been suffering considerably because of the grant cuts during the previous years, the present freezing of the grant as well as the Government notification for the payment of increased DA and the rise in the cost of services and other items generally. The AIU is not in a position to fill up even its sanctioned posts, and finds it difficult to maintain its services to the universities at the present level.

It has to be appreciated that the maintenance grant, given by the MHRD to the Association in 1989-90, was Rs. 17.00 lakhs; but it was reduced to Rs. 13.37 lakhs in 1990-91, and to Rs. 12.15 lakhs in 1991-92, and the same amount is to be given for 1992-93. The consequent deficits in the AIU's budget led to the AIU being unable to pay salaries. The AIU's staff is paid on a contract basis, and the members of the AIU are not paid from the grant. The AIU's staff is paid on a contract basis, and the members of the AIU are not paid from the grant. The AIU's staff is paid on a contract basis, and the members of the AIU are not paid from the grant. The AIU's staff is paid on a contract basis, and the members of the AIU are not paid from the grant.

As is known to the Government, the AIU subsists on the subscription of the member universities and the meager amount of maintenance grant given by the Government. It is not possible to increase the university subscription because of the stringent financial situation in which each university is presently finding itself. If the Government does not increase the maintenance grant to the AIU, it will be impossible for the AIU to continue its services.
AIU, even to absorb the DA, annual increments and increased cost over items like communications, travel-printing, stationery, etc., it is natural for the Association to find itself in a helpless situation.

Other parallel autonomous organizations too, like the AIU, which are doing commendable work in the field of higher education, would be finding themselves in a similar situation.

IV

SOME SUGGESTIONS

In the context of the above, we offer, hereunder, certain suggestions which, we believe, ought to form part of the policy framework for university funding:

1. The recommendation of the AIU General Meeting in October, 1989, is reiterated, as it calls for a long-term approach to the funding of universities:

"It is necessary that a detailed scientific study be made by the universities about their replacement repair and maintenance needs as also about the rate of growth of expenditure, and suitable norms be developed for the same, in order to get over the prevailing ad hocism.

These norms should then be standardized on an all-India basis with the following perspective in view:

(i) There ought to be a unified approach at the Central and State levels;
(ii) Financial inputs should be worked out for different programmes of studies (in terms of salaries of academic and non-academic staff, library and laboratory facilities, equipment and furniture, student amenities, general administration and supervision and such other basic components);
(iii) These norms for each component will have to be correlated with such actions as student load inputs for research and the requirements for teaching aids;
(iv) It would be preferable to work out the physical and financial (budgetary) norms separately so as to provide a basis for ensuring standardization between the different regions of the country.

This distribution of resources, thus, requires to be planned on the basis of the entire institutional unit costs (countrywide), ensuring the maintenance of a national average unit cost in all institutions of higher learning."

2. In the model proposed above, or under any other model, the maintenance grants to the universities should, at all times, be the responsibility of the concerned Government, whether Central or State.

It would, necessarily, include salaries, dearness allowance, increments, grant to neutralize inflation and increase in costs, telephones, and other utilities, grant for the maintenance of buildings, library laboratories and other equipment. It implies that the sanctioned posts shall be protected and the vacancies shall be filled up, to enable the universities to maintain and continue their teaching and research programmes at a certain level of efficiency.

In addition to the above, which other items should form part of the basic maintenance grant to an institution, should be decided after a consultation with the universities. It is also necessary to consider giving university employee all benefits on par with Government employees since such important matters as the pay structure, year of retirement, and terminal benefits have already been brought on par. None of these items of expenditure can attract funds from the industry or donors. These assured minimum inputs should, therefore, remain the social responsibility of the government Central or State.

3. As distinguished from the above, the items of expenditure for which the universities should be free to generate their own funds need to be enumerated. They should have full control over such expenditure. These resources, raised by the universities through their own efforts, should be invested in new thrusts and frontier line developmental areas.

The resources generated by the universities should not be taken into account in calculating the minimum maintenance grants mentioned in the preceding paragraph. This needs to be declared as Government policy immediately.

4. Despite repeated memoranda submitted to the government by AIU, the Government of India has not yet declared donations to institutions of higher education, including the Association of Indian Universities itself, as exempt from income tax. This needs to be done at the earliest.

5. Several restrictions have been imposed under various laws that exist, as regards the investment of various funds with the university, thus cutting into the possible returns which the universities can make through investment in higher earning securities. These restrictions need to be removed. Universities are in the unenviable position of even having to meet deficits on P.F. interest because the interest to be paid by law, on the one hand, and the restrictive investments permitted to universities, on the other, result in a shortfall on obtaining adequate interest on the funds invested.

6. The erosion of the rupee through devaluation, and its being floated partially, has further increased the costs on books, journals and imported equipment. While making grants to the universities, this factor needs to be adequately compensated. The universities are already experiencing a set-back in this matter, especially with respect to journal issues, since these have been reduced.

7. When there is talk of universities augmenting their resources, it is also necessary that the Government, whether Central or State, should itself be ready to pay the universities, and bodies like the Association of Indian Universities, the consultancy charges, for any work (e.g., a study or project evaluation etc.) done for the Government or its agencies. Such an attitude on the part of the Government would create a climate for the generation of resources in the institution.

8. Populist measures in education, which erode funds that could be better utilized, should stop forthwith; e.g., refunding fees in drought affected areas, when rarely children of marginal farmers and landless labour are the major beneficiaries. Free education for girls irrespective of the income group from which they come, is another case in point. Perhaps, a means-cum-merit based target orientation in both the above illustrations would have had a better rationale. Similarly, political considerations should not prevail in the establishment of new universities-Central or State. Rather, existing institutions should be strengthened to achieve the same ends and partial cost of education met for students who have to seek institutions further away from home due to problems of accessibility.

9. Under the existing practice, the Finance Commission does not earmark the allocation to the various states for higher education (whereas it does so for technical education). As a consequence, in the States, because of their other priorities, higher education does not receive its due share out of Central subventions for education by the Finance Commission.

The earmarking of grants for higher education to the respective states, thus, seems absolutely necessary.

10. The question of allocation of financial resources between the Central sector and the State sector of higher education, by the UGC and the Central Government, has to be determined afresh. It needs to be based on certain equitable, permanent and well defined norms. It becomes all the more necessary in the context of mounting deficits of State universities and the incapacity of the States to put up even the matching share of UGC developmental grants to State universities. The present ad hocism, resulting in glaring imbalances (as brought out in Section II above), should not be permitted to be continued year after year.
The Constitutional obligation, ensuing from the placing of ‘education’ in the Concurrent List, makes it incumbent upon the Centre/UGC too, to ensure that the major sector of higher education i.e., the State sector, does not languish because of lack of appropriate funding.

The colleges, where 88% of our undergraduates study, and almost all of which (excepting 54 Delhi colleges) fall under the State sector, cannot stand marginalised for ever as regards the Central grants, as at present.

This question requires to be reviewed by a national committee, at the earliest.

11. The autonomous organisations, like the Association of Indian Universities, with a distinguished track record of educational service, ought to be placed on an annual funding pattern which at least covers the increase in salaries, increments, increased DA, increase in costs of services, and the rate of inflation generally. Any grant freeze would render them totally dysfunctional.

12. For those major thrusts which are cost intensive, the University Grants Commission, the Central Government and the State Governments, should provide for a pooling of resources for joint use of the universities. Modern methods of networking should be built into such schemes. There has been much talk but little has been done, thus far in this direction. A well defined policy framework on this question is also needed. However, they will be cost-intensive at the start, since modern methods of communication would have to be built in for such sharing to occur.

13. Raising additional resources

(a) Raising fees to offset the cost even partially, is not desirable, if it is to result in excluding the disadvantaged student from education. Hence, if effected at all, it must be supported by a system of soft loans for helping the disadvantaged to get into the system. The possibility of the recovery of such loans has to be realistically calculated, since there is a total absence of an assured job market in the organized sector to pay off the loans for most of our graduates. Reaccumulating such loans passed to the universities, Recouping such loans through the normal tax returns in these countries which charge high fees but provide only a minimal burden which would exclude those with the capacity to pay, is raising fees only a minor burden which would exclude those of our society who are being increasingly marginalised. Hence, the social and economic burden is not even education increase that burden.

Raising of fees again, as the present Maharashtra experience indicates, is not feasible unless a consensus exists amongst the various political parties. It is only at the initiative of the Honourable Prime Minister that a dialogue can be initiated with all the political parties. Hence, the Government is willing to extend its own responsibility in the matter raising of fees should not remain a major requirement.

Moreover, the amount of money collected from tuition fees constitutes a small share (less than 2 per cent) of the total costs of university education. Even if the fee rate is revised manifold, it would not be possible to raise adequate funds because a significant proportion of students, belonging to the educationally backward groups, would qualify for exemption of fees.

(b) The oft-repeated suggestion for interface between the universities and the market forces needs to be thoroughly examined. Do universities have a major potential to act in the market economy constituted as it is today and to earn from it? Except in a few preferential institutions, do our teachers, researchers and students have salable skills? It is significant, for instance, that in 1986-87, an institution like JIPM, Delhi, which has established links with industry, could mobilise merely Rs. 65 lakhs, which is a meager amount in relation to the expenditure of Rs. 351 lakhs on R & D alone. The potential for raising money from the market and the industry, as a substantial source of additional financial resource, has to be assessed individually by all types of universities and institutions in the higher educational system, before a policy for university funding could be based on university-industry interaction.

A group has to be prepared for providing solid infrastructure for teaching and research (which most of our institutions lack) and, more so, by changing the attitude of the university community to render services to the industry. The Government should encourage the university programmes which directly affect productivity and industrial development. Tax exemptions are one method of providing such donations. It would, however, take time to change the ethos of work, to promote cooperation and mutual help between industry and universities. A tax may be levied on certain items to increase the resource for higher education.

(c) Income from endowments varies from 0.07 to 0.28 per cent of the total income of universities at present, and has been declining over a period of time. It does not seem possible to increase it substantially.

The above would indicate that hardly a university/institution will be able to mobilize funds to even absorb the 12 per cent and above annual inflation, much less could it compensate for the loss of income due to cuts.

14. From the foregoing, it is obvious that the Government cannot dictate its responsibility to higher education. A time has come for the Government to make a realistic appraisal of the total system’s needs and develop appropriate proportions for funding institutions of higher education. As an immediate measure at least 6 per cent of the GNP should be allocated for education as a whole.

15. We do realize that there is much that could be done within the university system itself. The universities in the same city should not duplicate programmes; in highly specialized fields a region, there should not be duplication of faculty and facilities, rather the movement of students to such centres should be made possible and made extremely easy. The costs need to be reduced through mutuality and sharing e.g., library networking and sharing of staff in specialized fields. Self-financing programmes, both at the undergraduate and postgraduate level, particularly in arts and commerce, need to be started imaginatively. Perhaps, we may be better off with smaller sized institutions with more professional programmes.

All wasteful expenditure and ostentation from the university/institutions must go and they must conduct themselves with a sense of social responsibility. Modernization of the methods of management, strict financial discipline and enforceable modalities of accountability must be built in, in the university system. Appropriate linkage on the one hand, between optimal utilization of existing funds and other resources, as determined according to publicly proclaimed norms, and performance of the institutions and, on the other hand, State funding which meets the legitimate needs of an expanding social sector, such as education, needs to be established.

To achieve it however, a climate needs to be created for which the Government, the Universities, and the society as well, have equal responsibility. It would require determination, commitment, and consistent action over a period of time on the part of all concerned.

The question of funding of universities, thus, needs to be thoroughly studied from a much wider perspective and a long term point of view. Whatever be the model that is ultimately adopted, the Central and State Governments cannot, at any time, possibly give up their minimum obligations to the universities except at the peril of university decadence and the violence resulting therefrom.
### Table No. 1
Allocation of resources for higher education by UGC (Rs. in Lakhs)

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<td>NON PLAN</td>
<td>7546.78 (36.7)</td>
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<td>11642.99 (33.0)</td>
<td>12706.66 (36.5)</td>
<td>15111.82 (39.7)</td>
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<td>PLAN</td>
<td>2117.04 (10.2)</td>
<td>2305.67 (9.5)</td>
<td>3247.05 (9.8)</td>
<td>2845.41 (8.5)</td>
<td>3298.88 (9.5)</td>
<td>2264.42 (5.9)</td>
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<tr>
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<td>9663.82 (47.0)</td>
<td>11122.71 (45.6)</td>
<td>14011.57 (42.3)</td>
<td>14488.40 (43.5)</td>
<td>16005.54 (45.9)</td>
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<td>NON PLAN</td>
<td>1614.25 (7.9)</td>
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<td>2540.24 (7.7)</td>
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<tr>
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<td>340.93 (1.7)</td>
<td>405.20 (1.7)</td>
<td>420.64 (1.3)</td>
<td>553.36 (1.7)</td>
<td>1021.53 (2.9)</td>
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<td>PLAN</td>
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<td>7098.52 (21.4)</td>
<td>5859.47 (17.6)</td>
<td>5638.54 (16.2)</td>
<td>6198.03 (16.3)</td>
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<td>TOTAL (NP+P)</td>
<td>4497.08 (21.9)</td>
<td>4277.57 (17.6)</td>
<td>7519.16 (22.7)</td>
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<td>5970.16 (24.5)</td>
<td>8092.70 (24.4)</td>
<td>8480.22 (25.4)</td>
<td>8115.23 (23.2)</td>
<td>8394.84 (22.0)</td>
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### ALLOCATION OF RESOURCES FOR HIGHER EDUCATION BY UGC (Cont.) (Rs. in Lakhs)

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<tr>
<td>TOTAL (NP+P)</td>
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<td>TOTAL (NP+P)</td>
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<tr>
<td><strong>TOTAL</strong></td>
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<tr>
<td>NON PLAN</td>
<td>11910.70 (58.0)</td>
<td>13960.40 (57.5)</td>
<td>17742.47 (53.5)</td>
<td>18889.08 (56.7)</td>
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<td>24371.77 (100.0)</td>
<td>33134.03 (100.0)</td>
<td>33292.97 (100.0)</td>
<td>34865.24 (100.0)</td>
<td>38068.58 (100.0)</td>
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</tbody>
</table>

**SCIENCE CENTRES:**
1. Nuclear Science Centres.
2. Inter-university Consortium Index.
3. Inter-university Centre Poona.
4. Roorkee University (Tech. College).

**NON UNIVERSITY:** Not affiliated or attached to any university of college.

**INSTITUTE**

**SOURCE:** University Grants Commission

Figures within parenthesis are Percentage to total.
### Table No. 2
Allocation by UGC during 1990-91

<table>
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<th>Sl. No.</th>
<th>Universities/Colleges</th>
<th>Plan 1990-91</th>
<th>Non-plan</th>
<th>Total</th>
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<tr>
<td></td>
<td></td>
<td>(Rs. in lakhs)</td>
<td>(Rs. in lakhs)</td>
<td>(Rs. in lakhs)</td>
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<tr>
<td>1</td>
<td>Central Universities</td>
<td>2264.42 (15.1)</td>
<td>15.111.82 (63.0)</td>
<td>17376.24 (47.0)</td>
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<td>2</td>
<td>Deemed to be' Univ. (Central – 10)</td>
<td>416.34 (2.8)</td>
<td>3030.65* (12.6)</td>
<td>3446.99 (9.3)</td>
</tr>
<tr>
<td>3</td>
<td>Colleges (Delhi College-54)</td>
<td>245.46* (1.6)</td>
<td>5149.38 (21.5)</td>
<td>5394.84 (14.7)</td>
</tr>
<tr>
<td></td>
<td>Total (1+2+3)</td>
<td>2926.22 (19.5)</td>
<td>23291.85 (97.1)</td>
<td>26218.07 (71.0)</td>
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<td>4</td>
<td>State Universities</td>
<td>6198.03 (54.6)</td>
<td>681.45 (2.9)</td>
<td>6879.49 (18.6)</td>
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<td>5</td>
<td>Deemed to be' Univ.</td>
<td>842.68 (5.6)</td>
<td>—</td>
<td>842.68 (2.3)</td>
</tr>
<tr>
<td>6</td>
<td>Colleges</td>
<td>3000.00** (20.1)</td>
<td>—</td>
<td>3000.00** (8.1)</td>
</tr>
<tr>
<td></td>
<td>Total (4+5+6)</td>
<td>10040.71 (80.5)</td>
<td>681.45 (2.9)</td>
<td>10722.16 (29.0)</td>
</tr>
<tr>
<td></td>
<td>GRAND TOTAL</td>
<td>12966.93 (100.0)</td>
<td>23973.30 (100.0)</td>
<td>36940.23 (100.0)</td>
</tr>
</tbody>
</table>

**Note:**
- The plan grant to colleges has been arbitrarily divided as that going to Delhi colleges and to the colleges in the States.
- *The non-plan grant for 'deemed to be' universities must have gone towards the maintenance of 10 such institutions which are totally funded by UGC.
- Figures within parenthesis are the percentages to grand total.

**Source:** Figures taken for 1990-91 from Table No. 1.

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### UNIVERSITY GRANTS COMMISSION

List of the Member of the Committee to examine present financial situation in regard to Central Universities, Deemed Universities, Delhi Colleges and Technical Institutions funded by the Government of India and make recommendations about their financial needs.

1. Justice Dr. K. Punnayya, 8-2-351/112, Road No. 3, Banjara Hills, Hyderabad.
2. Prof. Tapas Majumdar, Zakir Hussain Centre for Educational Studies, Jawaharlal Nehru University, New Delhi-110067.
3. Professor Emeritus (Dr.) M.V. Pylee, Moolamattam House, H.M.T. Colony Post, Cochin-683503.
5. Prof. N.S. Bose, C/o Dr. S. Basu, 19, Lindsey Court, Sherwood Park Road, Sutton, Surrey SM21N, London (UK)
6. Shri P.K. Umashankar, Meenakshi, Plot No. 857, 13, Main Road, Anna Nagar West, Madras-600040.
7. Prof. C.S. Jha, Vice-Chancellor, Banaras Hindu University, Varanasi-221005.
9. Prof. Israr Husain, Professor of Mathematics, Aligarh Muslim University, Aligarh-20201.
DOCUMENT 13

UNIVERSITY OF DELHI

No. VC/93(II)

Delhi, the 2nd January, 1993

Dear Justice Pannayya,

All of us in the University community are delighted at the initiative of the University Grants Commission in constituting such a distinguished Committee to examine the problem of resource generation on this university system and of the nation.

We have already sent to the Secretariat of the Committee the relevant information concerning the parlous financial position of the University. May I through this letter, share our general approach?

You might, perhaps, recall that a major crisis for all Central Universities arose last year with the decision that the university grant should be frozen at 1990-91 level and by the requirement that the Universities should somehow pay the dearness allowance and additional dearness allowance announced by the Government from its own resources. Since the payment of DA is a statutory obligation, the University decided to raise the issue to the University Grants Commission. The DA notification in April 1992 required the Delhi University to set up a committee to examine the feasibility of raising the allowance from its own resources. The subsequent announcements escalated this burden further. The situation in colleges of our University also became critical. In addition, the general rate of inflation as well as measures of liberalization and deregulation increased the routine operational costs of the university system; for example, the degression of paper, and the consequent increase in the price of paper, increased the cost of examination fees. We also introduced an examination fee which has been sustained in the face of protests by student community and adverse criticism in Parliament.

The result of this cumulative pressure on resource position of the University was reflected in an outburst in the normal academic operations of the University. The enclosed Executive Council Resolution of June 4, 1992 indicates the impossibility of the University Library system which became inevitable, besides inflicting all round cuts on routine academic activities in its 68 departments.

The Delhi University Executive Council, has taken the position that the maintenance of the University, including colleges and the University, at the very least, includes components of salary, dearness allowance, increments and terminal benefits. But no university can sustain itself on such a notion of 'maintenance', which identifies support for it only in terms of wage bill!

In the period April-July 1992 in my communications to the Honble Minister of Human Resource Development and at a meeting of Central University Vice-Chancellors convened by the Honble Minister in July 1992, I have extensively examined in the logic of the requirement that the University pay dearness allowance from within its own resources. Even at the risk of enlarging this letter, I think it will be helpful for me to reiterate my position on this issue to assist your deliberations and examination.

Briefly, Universities may be expected to meet the additional burden from:

(a) raising of tuition fees;
(b) internal economy measures;
(c) educational philanthropy.

Raising of tuition fees to an order of magnitude that it would meet the entire recurring liability for payment of dearness allowance for the University system is not possible for two reasons:

First, if we were to take the dearness allowance rise to be stagnant (which is an untenable assumption) even at the rate of DA in 1992 costing Rs. 221 lakhs, we would need to raise a sum of about Rs. 11 crores by 1997 and a sum of Rs. 22 crores by 2005. Obviously, this magnitude of resources was to be generated primarily, if not solely, by raising of tuition fee, it would require the fees to be fixed at unconscionably high levels. The burden on those who may pay such high fees would be aggravated further by the requirement of special provision to be made for Sangeet and economically weaker section of society.

Second, it has been the experience of the University that even a routine fee rise (such as what our University has contemplated raising the possibility of resource generation on this point to about Rs. 4 crores in five years) is still complicated by the political nature of politics in India. Student elections are conducted on party lines and are even funded and monitored by political parties. Competitive politics on the campus and in the capital, makes reasoned consensus on fees rise, even of a modest incremental rate difficult of attainment. If raising of tuition fees is going to be among the measures contemplated by the Committee to ameliorate the resource situation in the universities, it would surely be necessary for us to consider recommending multi-party consensus to keep this issue outside the practice of competitive politics.

The second measure for resource generation said to be available is internal economy within the university. Our University has done an extensive exercise through its economy committee. There is not much scope for economy as the salary, dearness allowance, increments and terminal benefits constitute close to 85% of the University expenditure. Of the remainder, essential activities like library acquisitions and conduct of examinations (the Delhi University conduct examinations on about 265 days in a year) do not permit substantial scope for economy, particularly given the high price rise. I might add the same holds true for the lowest requirement for science departments for servicing equipments and materials for experimentation. Despite this, after close examination of avoidable administrative expenditure and a review of the "subsidy" in the six hostels of the University, we have been able to estimate a possible saving of about a crore of rupees.

Undoubtedly, it is important; but it cannot be one's case that this amount will meet the need of cumulative liability to pay dearness allowance out of the University maintenance budget. And it must be recalled that for such saving is at the mercy of the spiralling cost index which is beyond the control of any University administration.

The third avenue for resource generation would be educational philanthropy. It must be acknowledged that since the nationalization of university education, over the past two decades at least, educational philanthropy has ceased to be foundational and has become commemorative so that while trusts and foundations may build a hall or similar facilities they do not expect to contribute to the wage bill of the institution. Commemorative philanthropy does not acknowledge maintenance as a part of the social obligation, given the national consensus so far that education is a social service to be provided by the State. In these circumstances, the suggestion that educational philanthropy could be source of payment of the wage bill is not sustainable.

It should also be stressed that the available set of educational philanthropy centres has narrowed over the decades. Even if we were to assume the arguendo that they are fifty centres of educational philanthropy in the national capital region, about 60 colleges of Delhi University, three Central Universities (Delhi, Jawaharlal Nehru University, Jamia leaving aside other Universities and deemed Universities) will have to compete with each other year after year for foundational philanthropy. This possibility refuses itself in the act of its articulation.

As per the enclosed correspondence with Professor Mammooh Singh, the then Chairperson of the University Grants Commission, I had suggested that we ought to develop a perspective plan with inter alia, to present a picture of how much the University education both at its present level of mediocrity and at aspirational level of serving goals of excellence will cost the nation. In the present situation the University system and the University Grants Commission have to negotiate year to year for maintenance, and Plan to Plan for development. This process does not seem to fully take
into account the meritorial need which have to be met for the existing University system. In the absence of hard data of future and ongoing costs, the process of dialogue for resourcing central universities and related institutions becomes, in my considered opinion, ad-hoc and arbitrary and full of tensions and difficulties which lower the potential of the University systems to make their due contribution to national development. Our University has already undertaken the exercise of perspective planning till 2010 both in term of future enrolment patterns and in terms of growth in terms of identifying departments. I will be pleased to share with the Committee our initial efforts on the first aspect by February and on the second, hopefully, by April. The desirability of such an exercise for all institutions within the terms of reference of the committee cannot be overemphasised since the problem of resourcing universities is not merely one of minimum short run necessity but a long term problem.

None of the foregoing is, as it easily could be misunderstood and argument of status quo. But it is, as it is, an argument against any abrupt and not well thought out policy of generating resource constraints in violation of long standing national policy and conventions in resourcing university system.

The university system needs, clearly to generate its additional resources to fulfill long standing needs, unmet by maintenance and development grants (e.g. housing, hostels, campus development, optimal rate of library and laboratory development, facilities for disabled students). The Delhi University has developed an autonomous Resource Generation Plan to meet some of these additional needs.

I would urge that the Committee most earnestly recommend as an interim measure pending its complete report to the University Grants Commission and the Union Government to find ways and means to continue to the implementation of the long standing national policy until feasible and desirable changes are made available through your distinguished labours for wider national discussion.

I will be happy to assist the Committee in its very worthwhile mission as and when called on to do so.

With warm regards and Season's greetings,

Yours sincerely,

SD:

(UPEendra BAXI)

To All the Members of the UGC Committee.

For enclosures please see Documents–1, 3 and 5.
At no time since the independence Indian universities have been subjected to such sustained ideological offensive as in the last two years. The technique adopted is twofold. On the one hand, declining allocations to Central and State universities, in an era of deregulation, devaluation and inflation and on the other by the thoughtless insistence that universities should meet additional demands on account of perceived scarcity of resources. Both these techniques have been severely invoked, more recently by the recent Union Budget and other distortions and national debate on how, if at all, should the four decade old policy, mandated by the Indian Constitution, of state support for university education be fundamentally modified.

The techniques are accompanied by a strategy unusual in its vigour and scope. There are four components to this strategy. First, and wholly undemocratic, is the refusal to listen. All of us—the University Grants Commission, the Association of Indian Universities (AIU), the Central Universities, Vice-Chancellors, the Delhi University, and more recently the February Pondicherry meeting of UGC, AIU, and Vice-Chancellors—have, through all available means, explained why no abrupt departure should be made from the time-honoured national policy. It has also been suggested that any innovation in the policy must be examined by a commission on resourcing the universities and its report nationally discussed.

The second component of the ideological offensive has been to disorient the Central Universities, by 'freezing' and 'defrosting', by insisting that they somehow manage within their vastly limited means. The third component is to make universities feel guilty. With reckless generalisation, the universities are depicted as extravagant, if not spendthrift; avaricious in their financial management; substandard in their administration; largely unproductive in terms of producing talented graduates; incompetent in discharging their mission of educating India into her future; parasitic on body social in squandering much needed resources from primary and secondary education, and obturate in their unwillingness to transform themselves into more purposeful agencies of change.

The guilt complex is so subtly but surely propagated that leading academics, who excel in critiquing practices of politics, are pushed to a confessional politics of their own cumulative failures; indeed to a point where even a University friendly editorial in The Hindustan Times (March 19, 1993) failed to enthuse a debate!

The fourth triumphant component of the ideological offensive is the well known TINA factor. Is there any other alternative but to make universities more resourceful and responsible? And who could make them so but the enlightened souls in bureaucracy and politics?

It is overlooked that the nationwide movement to privatisate college education had wide political support, from which many a leader and party have benefited. Also overlooked is the keen concern to enhance quality of university education which brought education into Concurrent List by the Forty Second Amendment. The ink is not yet dry on the unfolding New Education Policy which did not breathe a word on 'privatisation' of university education, and instead sought to expand state support by dedicating progressively six per cent of the GNP to education as a whole. The enlightened ones—including distinguished superannuated academics of great eminence—now proselytize the value and virtues of 'societal participation in higher education'!

There is no sign on the political horizon of recognition of autonomy of universities. Political parties are loath to develop a national consensus on placing limits to the factional and competitive party politics on Indian campuses; they are even unwilling to support reasonable and just increase in tuition fees. Even as universities are blamed insistently for not raising tuition fees, the structure of politics of opposition is kept intact.

And note, amidst all this, the bureaucratic stranglehold is not to be one bit relaxed. The universities must suffer deduction from maintenance grants for any income they raise; they may not raise overdrafts; they may not enter into any collaborative arrangements with overseas universities, foreign foundations operating in India, or UN agencies without multiple prior 'clearances'; they cannot sell or mortgage properties; they may not prudently invest for profit; with both their hands firmly behind them, the Vice-Chancellors are summoned to perform miracle in aid of state political liberalisation.

What has been made available to economic entrepreneurs, is denied to universities in terms of release of initiate to modernise. And Vice-Chancellors are, usually, chosen for their docility rather than drive, conformity with the regime interests rather than enterprise in service of education, loyalty to the present political rather than fidelity to the Indian future. The rare freak appointments are sought to be wholly marginalised.

In the meantime, the universities die a slow but sure death. Libraries, laboratories starved of resources, gradually erode their teaching and research; across the board university budgetary cuts directly affect academic initiatives—critical for growth of knowledge—suffer the insolence of 'bans on seminars; Ph.D. viva-voce examinations become increasingly territorialised; so do selection committees, universities cannot afford airfares or even long-distance train journeys.

Things have come to such a sorry pass that a leading scientist and a former Vice-Chancellor of a State University had to observe at a public meeting at Delhi University that his department was grateful for a prolonged laboratory staff strike because cuts in departmental budget did not allow resources to afford the necessary costly chemicals for practical examinations! As far back as 1984, I had voiced a similar complaint at the UGC meeting of Vice-Chancellors. The situation, towards the end of the century, is getting even worse. But who is there to listen?

It is being vigorously said that universities must raise resources. Surely, they must. But from where? And for what? Should they raise resources for 'maintenance expenditure—that is, on the one hand, for salaries, dearness and other allowances, increments and terminal benefits, and on the other for the minimal expenditure for teaching and academic activities? Will the raising of fees—which must be raised incrementally to a realistic level—meet the increasing D.A. liabilities? If Delhi University has to provide Rs 3 crores per year out of its meagre maintenance grant (averaging Rs 25 crores), it would need to raise Rs 15 crores by 1997 and Rs 30 crores by 2005 A.D.! Could this be raised from fees? How about eminent institutions whose enrolment size is too small to provide the necessary resources?

Should then the order of resources needed for maintenance emanate from educational philanthropy? Most of it is commemorative, not foundational—an extension of building, a sports facility, a collection of books and materials named in memory of some or the other. This trickle will never grow under a torrent of public funding—despite 100 per cent tax exemption to donations for universities. Nor will the much advocated and needed economy in expenditure provide for maintenance, which in salary terms alone constitutes at least 70-80 per cent of total expenditure.

I am not at all arguing against any of resource generation measures, having myself initiated a whole range of policy measures on autonomous resource generation programme at Delhi University in November 1990. That programme was not addressed to either maintenance or plan grants, but to raising resources for legitimate unmet needs of the university—more hostel facilities, working women's hostels, faculty housing, facilities for the disabled. Instead university resource flashes are now being encouraged to achieve these ends, universities are now being encouraged to raise resources for maintenance. Universities die when policy-makers insist that they exist primarily for paying salaries.

Instead of continuing the present policy of attrition, a statutory national commission for resourcing university education should be established. Demand for university education will grow, not decrease, in next quarter century. The commission should develop a perspective plan on the growth of liberal and professional education in this period (bearing in mind the overall increase with the success of every literacy mission project) and the cost to the nation of providing education both
UNIVERSITY OF DELHI
PRESS RELEASE

Over the last two years, the Delhi University has been consistently and through resolutions of Academic Council and Executive Council—drawing attention of the U.G.C. and Government of India to its parlous position as a premier institution. Owing to the resource crunch, the library system of Delhi University has virtually come to a standstill, as can be seen clearly from the following Table:

<table>
<thead>
<tr>
<th>Library</th>
<th>Journals subscribed 1990</th>
<th>Renewed in 1991</th>
<th>Renewed in 1992</th>
<th>Likely to be renewed in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts</td>
<td>582</td>
<td>285</td>
<td>219</td>
<td>168</td>
</tr>
<tr>
<td>Science</td>
<td>795</td>
<td>350</td>
<td>275</td>
<td>247</td>
</tr>
<tr>
<td>Ratan Tata</td>
<td>920</td>
<td>600</td>
<td>200</td>
<td>247</td>
</tr>
<tr>
<td>Law Faculty</td>
<td>280</td>
<td>248</td>
<td>177</td>
<td>163</td>
</tr>
<tr>
<td>South Campus</td>
<td>350</td>
<td>250</td>
<td>200</td>
<td>175</td>
</tr>
</tbody>
</table>

Although we have provided proportionate increase to library budget, this stand nullified by fiscal measures and increased subscription costs. For the University to revert to its pre-1991 position, an additional grant of Rs. 22,56,000/- is necessary at the present exchange rate. And reversion to this position does not necessarily ensure that the University will be able to maintain the same subscriptions as even of 1991.

Similarly, science departments are in dire straits for their routine learning activities in laboratories. The cost of chemicals and related items has gone up very substantially. The following is an illustrative list:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Glycine AR</td>
<td>500 gm</td>
<td>300.00</td>
<td>680.00</td>
</tr>
<tr>
<td>Formic Acid 98</td>
<td>500 ml</td>
<td>192.00</td>
<td>352.00</td>
</tr>
<tr>
<td>Bromoform</td>
<td>250 ml</td>
<td>720.00</td>
<td>750.00</td>
</tr>
<tr>
<td>Hydrofluoric Acid</td>
<td>500 ml</td>
<td>295.00</td>
<td>335.00</td>
</tr>
<tr>
<td>Cobalt (II) GPR (Acetate)</td>
<td>100 gm</td>
<td>120.00</td>
<td>330.00</td>
</tr>
<tr>
<td>Sucrose AR</td>
<td>1 kg</td>
<td>370.00</td>
<td>636.00</td>
</tr>
<tr>
<td>Chromatography Paper</td>
<td>1 qaur</td>
<td>300.00</td>
<td>4150.00</td>
</tr>
<tr>
<td>Ammeters/Voltmeters</td>
<td>per piece</td>
<td>150.00</td>
<td>270.00</td>
</tr>
<tr>
<td>Wire (flexible)</td>
<td>per coil</td>
<td>115.00</td>
<td>490.00</td>
</tr>
</tbody>
</table>

The relentless price escalation has affected a number of ongoing experiments and teaching activities. If this trend continues, the standard of teaching and research will be irreversibly affected in the leading postgraduate departments of Delhi University. Comparative cost escalation in glassware is about 50% in the two years period. Costs of maintenance of instrumentation have also gone up by 50% so has the cost of spares. Purchase of scientific equipment is already out of question; this has dealt a severe blow to laboratory work. For example, polarizing microscopes are essential for Department of Geology; under the present conditions, their maintenance has become as prohibitive.
as additional new acquisitions. As to other materials, the Department of Botany reports that chromatography paper which was available at Rs. 300 quarter now costs Rs. 4150 per quarter!

The University has been in past two years forced to slash departmental budgets by at least 40% whereas the cost escalation of chemicals, glassware and equipment has risen in the overall range of 50-57%. As it is, science departments have a limited intake for post-graduate studies. Suggestions are being made by leading departments for even more limited intake. Even so, the costs will continue to rise substantially in the years ahead, rendering even the present profile of distress an understimation.

The University budgetary deficit chronically continues to be in the vicinity of seven crore rupees. It is inconceivable to raise fees to a level which will meet this entire deficit. It is unlikely that industry will be attracted to invest in the annual maintenance costs of libraries and laboratories. In the meantime, the University is bound to meet costs of additional D.A. periodically announced every year.

Many development plans of the University are in disarray. The South Campus construction activity is at a standstill for past three years. The plans for East and West campuses remain on paper.

I have been asked by many friends of the University to explain what I meant by the metaphor of ‘dying’ of Delhi University. I hope this grim picture would help us realize the gravity of the crisis. The community which we have served with some distinction for last seventy years must know our plight. We deserve a much better deal. And for a University of our size and eminence, and record of substantial contribution to national development. are we asking for too much?

May, 6, 1993

UPENDRA BAXI
Vice-Chancellor

PIONEER
(May 10, 1993-Editorial)

HOW TO FUND UNIVERSITIES

Prof. Upendra Baxi is not the first Vice-Chancellor to voice concern over the adverse fallout of the cutback in Government spending on higher education. Similar sentiments have been voiced in the past by vice-chancellors of several universities which have been entirely dependent on Government funding and are now suddenly faced with the grim prospect of cutting back on spending which has so far been taken for granted by students, teachers and administrative staff of the institutions. Since salaries cannot be touched and only cosmetic changes can be brought about in administrative overheads, the axe is bound to fall on what affects the students directly—lower spending on infrastructural facilities like libraries and laboratories and, more important, restricting admission to the students as the resource crunch becomes increasingly worse.

The Government cannot shirk responsibility for the emerging scenario that can only bring despair to students aspiring for higher education. Rather than allocate adequate resources for this crucial sector, it has, in real terms, cut back its spending on education. At the same time, because of the official education policy, the number of students aspiring for higher education has increased dramatically over the past couple of decades. When the Government introduced the ten plus two system, it was claimed that the new policy would encourage a greater number of students to opt for vocational courses rather than graduate studies. However, nothing like this has happened; to the contrary, the number of applicants for courses in liberal arts has increased tremendously.

However, the universities are to blame, too. Despite the writing on the wall, none of the universities has made any worthwhile effort to mobilise resources on its own, either from industry, or by charging a higher fee from those students who can afford it. Nor has any effort been made to restrict expenditure on research in social science. It is no secret that a sizeable amount of money is spent on research that is of little use and merely adds to the qualifications of the individual. A possible way out from the impending crisis is to introduce the system of bank loans for students who can repay the money after they start working. Universities must also try to attract participation by private industry by tailoring courses to suit specific needs and requirements. If it can work for the IITMs, there is no reason why it cannot for the other institutions. Sadly, instead of looking for ways and means of solving the problem, university officials have been busy crying foul.
The UGC and the Central Universities, Deemed Universities and Delhi Colleges which receive maintenance grants from the UGC have been grappling with the problem created by financial constraint in regard to the maintenance grant during last two years. The UGC had a series of consultation with you in 1992 culminating in the meeting of Vice Chancellor of Central Universities with the Minister of Human Resource Development in July, 1992. The UGC has also been apprising the institutions of the likely availability of maintenance grant during the year and has been urging that steps may be taken to plan the expenditure so that the total expenditure can be managed with the maintenance grant available. The UGC has been simultaneously taking up with the Government for securing more money. These efforts have been successful also and an additional Rs. 21 crores in 91-92 and Rs. 54 crores in 92-93 has been obtained and passed on to Institutions as additional maintenance grant. Recently the matter was taken up with the Finance Minister in a meeting I had with him and in which 3 of the Vice Chancellors of the Central Universities were also present. He had assured to be helpful. I will, of course, follow up on this assurance.

While the UGC is continuing its effort to secure the minimum necessary resources for meeting the essential requirement of maintenance grant, it should be also clear to all of us that the situation of financial stringency is not likely to wither away in the near future. Judging by the figures of expenditure being incurred in some of the institutions. I get the uncomfortable feeling that seriousness of the crisis is not being appreciated. Some institutions seem to think that the financial crisis will go away soon and any deficit they may accumulate will be made good ultimately by the UGC. I wish to strongly advise against any such impression. It seems, while we may succeed in obtaining some incremental finances from the Government, the overall financial situation is likely to remain bad for quite some time. Therefore, it would be prudent if we accept this difficulty as a given situation and make an earnest attempt to reduce avoidable expenditure and to increase income, wherever possible. I trust, you would have already taken some steps in this direction and I would appreciate if you would apprise us of the steps taken or contemplated.

I would also like to say that for Central Universities and Deemed Universities budget recommended by the respective Finance Committees has its undoubted value but in the situation of inadequacy of funds for maintenance grant, it would not be right for the institutions to incur expenditure only on the basis of the budget passed by its Finance Committee. Since the maintenance grant from the UGC ultimately depends on the non-plan grant given to the UGC by the Government, the availability of grant indicated by the UGC for the year should be the criterion for incurring expenditure under maintenance grant. The budget passed by the Finance Committee should, therefore, be seen as subject to the overall availability indicated by the UGC. If this is done, the university would be in a position to avoid the situation of accumulating deficit at the end of the year.

I trust, you would arrange to take appropriate measures and apprise us of the action taken.

With regards,

Yours sincerely,

Sd/-

(G. Ram Reddy)