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## **University fees may rise every 3 years**

Govt to push for 10% periodic hike; proposals to be placed before apex education body, state ministers on 7 June

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The Central government will push for a 10% hike in university fees every three years in a bid to nurse these institutions to financial health—a move that could have a far-reaching impact on India's resource-strapped higher education system.

The move, which is likely to face strident opposition from students as well as rival political parties, follows a government-appointed panel's recommendation of an increase in fees charged by the Indian Institutes of Technology (IITs). Fees at colleges that have government funding are nominal and increases are rare, given that such moves are fraught with political risk.

Universities are the key to higher education in India with over 80% of around 15 million students pursuing courses under the system. The proposals on increasing college fees will be introduced at two meetings—one of state education ministers and another of the Central Advisory Board of Education, the apex education body that helps the Central government formulate policies. Both meetings are to be held in Delhi on 7 June.

“Central and state universities may be statutorily required to adopt revision of fee structure payable by the students by at least 10% for every three-year period,” said the agenda note for both the meetings, a copy of which has been reviewed by Mint.

Since a majority of the universities in the country are under the control of the states, local governments have to be taken on board for the move to succeed, said two senior officials of the human resource development (HRD) ministry, who didn't want to be named.

There are some 525 universities in India, of which 450 are funded by the government. Of these 450, only 40 are Central universities and the rest are state universities.

“A couple of months back, a meeting of vice-chancellors had suggested a fee hike looking at the current financial condition of the universities,” said one of the officials.

He rejected the notion that fee increases would add to the financial woes of families labouring under rising inflation.

“Looking at the current situation, a 10% hike is unlikely to burden families as university education is not very expensive,” he said.

A student pays on average between Rs.6,000 and Rs.12,000 as annual tuition fee. Authorities say this is too low. Universities can charge market rates for so-called self-financing courses, where there is no government aid involved. For example, a self-financing course on corporate finance at Orissa's Utkal University costs students at least Rs.40,000 a year.

“Universities are getting less than 10% of their revenue from student fees and this can be increased up to 15%,” said the second ministry official.

A 10% fee hike may not look like much in bigger cities such as Delhi or Mumbai but would pinch students in smaller towns, said Gayatri (who uses only one name), a student at Utkal University.

“When your father is earning Rs.5,000-6,000 a month, a 10% increase in the course fee is definitely going to impact the family budget,” she added.

“These days the common man is the worst sufferer,” said Gayatri, whose father works in a small business in Orissa. “Whether it is food or fuel prices, it's the common man who has to accommodate” the increases.

Syed E. Hasnain, former vice-chancellor of University of Hyderabad, said some universities are charging just a few hundred rupees per course for a semester, which is irrational.

“When the demand for education is growing, you cannot be irrational. A 10% hike every two or three years will help universities get some amount of extra funds,” he said. “And in five years time the course fee will be rational.”

Instead of a one-size-fits-all solution, the fee hike should be left to individual universities, he said. “If a student in a metro can afford a car to come to classes, why can't he afford Rs.30,000 per semester to study a course which has a lot of market demand.”

The Anil Kakodkar panel set up by the HRD ministry had suggested a sizable fee increase at the IITs to make them more financially independent. Currently, an IIT student pays around Rs.50,000 per year in tuition fee.

“The committee has suggested that the tuition fees should be between Rs.2–2.5 lakh per year per student,” the panel said in its report in the second week of May. “This would be reasonable considering the high demand for IIT graduates and the salary that an IITB. Tech is expected to get.”

The IIT council will take a final call on the suggestion. The committee has also suggested that there should be a special loan facility for IIT students to help cover their expenses.

As far as the proposal on higher education fee increases is concerned, the ministry will also ask state governments to be “liberal” in funding state universities to improve the quality of teaching and research. Funding is seen as the most crucial aspect of higher education.

While demand for education has increased enormously in recent years, the Central government expenditure on it is less than 1% of the gross domestic product (GDP), according to official data. The ministry proposes to discuss this issue at both the meetings and is likely to press for higher education funding to be raised to 1.5% of the GDP.

According to the agenda, both the meetings will also discuss performance-linked incentive grants for university professors and evaluation of teachers to improve the quality of education and create a sense of accountability.