

# Self-financing in Higher Education: A Case Study of Gujarat

Sarita Agrawal \*

\* Professor Sarita Agrawal, Centre for Studies in Economics and Planning, School of Social Sciences, Central University of Gujarat

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## Abstract

The higher education system sits at the apex of the education system, supporting the lower levels of education, preparing professionals and skilled labour, and serving as an incubator for research. As developing countries expand basic education systems and increasingly transition into the knowledge economy, higher education will play an important role, as acknowledged in the Sustainable Development Goals, serving as an incubator for the knowledge base and human capital needed to promote and sustain development across many sectors. Although it is reasonable to regard education a fundamental source of economic growth, spending on education is also facilitated by the growth of national income. During the recent years, various issues relating to financing of higher education have been gaining attention, especially in the context of socio-economic change and economic development across the globe. In recent times, the burden on the government is increasing due to the financing of higher education although several studies have clearly shown the inability of the government to financially support higher education. Since the 1990s, higher education has seen enormous growth while inadequacy in policy and planning has led to a financial crisis in the financing of universities. The demand for education at every level is rapidly increasing. However, funds for education are not increasing at a commensurate level resulting into the widening gap. It was in this context that the present study was undertaken.

**Key words:** Higher education, privatisation, self-financing, financing of higher education

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## I. Globalisation and University Finance

Higher education lies at the nexus of growth, jobs, and competitiveness and has the potential to serve as a catalyst for economic transformation. As developing countries expand basic education systems and increasingly transition into the knowledge economy, higher education will play an important role, as acknowledged in the Sustainable Development Goals, serving as an incubator for the knowledge base and human capital needed to promote and sustain development across many sectors (World Bank, 2019). Globalisation in India has created an unprecedented demand for knowledge workers and IT skills. Higher education institutions have expanded and increased in order to address the emerging manpower needs of a competitive India. Although it is reasonable to regard education a fundamental source of economic growth, spending on education is also facilitated by the growth of national income. In the developing countries, constraints on public resources and current economic conditions have reduced most governments' ability to provide adequate funding for further expansion of the educational system, in particular at the higher level (Yussof Ishak, 2001).

Economic difficulties and increased competition for limited public funds have reduced many governments' ability to continue expanding higher education. Such difficulties lead governments to reconsider social priorities including educational reform programmes and to re-channel available resources to meet only the most serious problem (Yussof Ishak, 2001). The Government of India admitted in the Tenth Five Year Plan that "part of the problem facing universities is the inadequate provision of budgetary resources from the Government." As a result, a number of universities and institutions of higher education are in continuous deficit. The unveiling of economic reform policies in the early 1990s also accentuated the financial hardships of these institutions. (NIEPA, 2005). This financial crisis in higher education demands urgent attention, and provision of the required resources. A serious rethinking is needed, on policies relating to financing higher education, including the specific financial reforms that have been introduced during the last decade and a half.

Over the years, the union and state Governments have considerably increased their total public expenditure on education. The demand for education at every level is rapidly increasing. However, funds for education are not increasing at a commensurate level resulting into the widening gap. The goal of allocating six

percentage of national income to education is still elusive. (Tilak JBG, 2003) According to latest estimates, only 3.5 per cent of GDP is spent on education. Today majority of the governments in developing countries are under great pressure to restrain public spending on higher education. (Tilak JBG, 2005)

Yet another fact is that the Government and UGC are finding it increasingly difficult to even sustain the current level of funding to the institutions of higher education. Managing the present financial liabilities of the universities especially the state universities is in utter chaos. In the eighth plan, financially self-supporting higher education advocated that “expansion of higher education in an equitable and cost-effective manner is imminent in the process, making the higher education system financially self-supporting” (Government of India, 1992).

The emergence and growth of private sector education is seen as a means to reduce the financial burden of education on the Government. The present growth in demand for education is at a time when the Government is faced with a severe budgetary crunch, and intense competition for its scarce resources from several sectors. (Tilak J.B.G. 2007)

### **Financing of Higher Education in India**

Higher education in the present day context is much more complex due to interaction between many factors such as the role of government, public private partnership, impact of globalization, educational standards, values etc. The problems of growth in higher education are all the more complicated in less-developed economies, like India, where the sources of finance for higher education are still desired to be dominated by government funding. However, the financial profligacy of the 1990s in the developing countries had altered the priorities making higher education a non-merit good. The emergence and growth of private sector education was seen as a possible means of reducing the financial burden on the Government.

The decline in public expenditure on higher education has been a global crisis and the most important trend. Compelled by economic reform policies or convinced of the rationale for the reduced role of the state in funding higher education, most countries have inflicted serious cuts in public budgets for higher education. According to Bray (1998), privatization is a process, rather than a state. It is the process of moving from less public ownership and financing and/or control to more private ownership, financing and/or control. Therefore, privatization has the dimensions of ownership, financing, and control.

Private initiative in education particularly higher education is not new in India but the reforms since 1990s have further fostered this trend. In Indian scenario the 1990s saw a major turn in the history of contemporary higher education. The decade was one of turmoil, with an important development being the sustained efforts toward privatization of higher education in India. The Government of India's 1997 discussion paper on Government Subsidies in India provided a revealing insight into government thinking. For the first time, higher education (as well as secondary education) was classified in the discussion paper as a "non merit good" (and elementary education as a "merit good"), government subsidies for which would need to be reduced drastically.

Private education is a well-established and accepted fact in India now however, these institutions have an important role to play as part of social accountability. While private institutions are increasing in proportion to the total number of higher education institutions, government institutions are decreasing. Hence, the percentage share of enrolment in private institutions is increasing.

Though the concept of private institutions is different from self-financing, however, at times, in the literature they are used as synonyms. The changing structure of the economy demanded new skills which the public institutions were not able to provide. Because of a general rise in income levels, private higher education was within reach for many who wanted it. In India both public and private institutions operate simultaneously. “On Self-Financing of Institutions of Higher Learning in India” is a working paper by Mishra Shiva. (2004) in NEHE economics in which he has focused on the discussion that the mammoth system of higher education in India which is almost wholly government supported, is in deep financial strain with increasing needs, escalating costs and shrinking budgetary resources. He argues that it is necessary to devise means to self-finance these institutions of higher learning. He suggests that it is erroneous to think that as long as the institutions of higher learning are financed by the government, they educate students at the lower private cost, that no sooner will the government stop financing them than they will tap their fuel from the market, that the demand for higher education is potent and large and so on. Since grant-in-aid to private colleges is becoming difficult, many governments/ universities have granted recognition/ affiliation to unaided colleges and many universities have authorized new ‘self-financing’ courses even in government and aided colleges. It is felt that as of now more than 50 per cent of the higher education in India is imparted through private institutions, mostly unaided. Increasing the gross enrolment rate of higher education in India involves huge investment. Since the Government will not be able to meet the requirement, all other sources of funds need to be tapped as well.

### **Government and Private Sector in Higher Education**

India is already a country of the largest body of illiterates in the world. Our tertiary education sector, which has set up institutes of excellence, has also a very poor record so far as government sector is concerned. According to SS Gill, et.al., (2005) out of 252 engineering colleges in Tamil Nadu only 14 were run by government. In Andhra Pradesh this figure was 250 and 18. In Karnataka 125 and 1 while in Kerala 220 and 11 respectively. As a result out of 818 engineering colleges in these four southern states only 5 per cent were run by state and the rest were unaided private institutions. It is these institutions, according to him, which spearheaded India's information revolution. Statistics show that the private unaided sector has grown rapidly and this growth is of recent origin. Growth trends in India show that the higher education sector was controlled by the government till about 1980. After that, there has been a clearly growing trend towards privatization of higher education.

According to the All India Survey on Higher Education (2018-19), There are 993 Universities, 39931 Colleges and 10725 Stand Alone Institutions. Of these, 385 Universities are privately managed. Over a period of five years, the total number of universities has increased from 726 to 962 during 2014-15 to 2018-19. The number of State Private Universities during the same period increased from 181 to 304 whereas Deemed - Private Universities have not seen any growth. While the compound annual growth of all universities has been 5.79% per annum, the CAGR for the state private universities has been around 11%. The state public universities have witnessed a compounded annual growth rate of nearly 3% per annum.

Private universities and foreign education providers, that are financially independent, are also emerging on the scene. In 2000-01 private unaided institutions constituted 42.6 percent of the total number of higher education institutions. These increased to 63.21 percent in 2005-06. In addition to the private unaided sector, more and more public institutions have started offering self-financing programmes. Together, these trends indicate a substantial shift away from government funding. With this decreased dependence on the government for money comes a serious challenge on the regulatory front. Today, at this crucial juncture, India is left with no choice but a thorough revamp of her higher educational system.

As public funding of higher education declined in the 1990s, private sector institutions burgeoned in India. Additionally, self-financed programmes are being introduced by the aided universities. Self-financing programmes are the programmes which are financed by charging user fees from students. There is almost no government subsidy for such self-financing programmes. The nature of self-financing programmes depends on the institutional mode under which it is delivered (Bhushan S., 2008).

### **Trends towards self-financing course**

Introducing self-financing courses can help in mobilizing funding from private resources. These courses have to be market-driven so that they can enable the students to enter into some gainful employment as soon as they finish their education at higher education institutions. Elaborate mechanisms were developed by the government that helped in the proliferation of self-financing capitation fee colleges in the country. (Tilak J.B.G.2002)

Higher education is facing twin pressures. An enormous increase in student numbers and also the expectations that have traditionally been served by universities. Both the numbers and expectations involved here are huge, having serious repercussions on the system (Tilak JBG, 2005). In this scenario of financial resource crunch, and the emerging challenges of privatization, globalization, quality, and competitiveness, there is a compelled need to analyse the problems and find solutions for higher education to gain and maintain its regard. It is in this context that the present study is aimed at.

### **Research questions**

1. What is the nature of self-financed courses adopted by the universities in terms of employability of the students?
2. What has been the trend in the aided universities towards adoption of self-financing courses?
3. What is the socio-economic status of students entering into these programmes?
4. What is the perception of students entering into these self-financed courses?

### **Objectives of the Study**

Following are the objectives of the present study:

1. Examine the nature of self-financed courses adopted by the universities in terms of employability of the students
2. Examine the fee structures in self-financed courses.
3. Examine the socio-economic status of students entering into these programmes.
4. Examine the perception of students entering into these self-financed courses

These issues are being examined to understand the issues of equity, efficiency and quality of higher education in the country.

### **Hypotheses of the study**

1. The self-financed courses adopted by the university are contributing to the growth of enrolment in higher education.
2. The self-financed courses are mainly professional in nature.
3. There are significant differences in the quality of education imparted under self-financed courses.

### **Rationale of the Study**

Many studies have been carried out on higher education. However, majority of the studies are secondary data based or conceptual in nature. At the same time, it is important to understand the impact of the policies at the micro level. A few studies carried out on self-financing do not focus on self-financed programmes in the grant-in-aid universities. Since no study has been carried out in the State of Gujarat on this issue, this is a landmark study.

### **Higher education in Gujarat**

The study area is the state of Gujarat. According to Gujarat Infrastructure Development Board, Gujarat has traditionally been recognized for its entrepreneurial leanings and not for its ability to develop professionally trained human resources. Gujarat currently has about 20 universities of which 10 are private universities (6 already existing and 4 new have been approved and will commence operations soon). Gujarat has over 900 institutions of higher learning and research which educate approximately 551,398 students. Gujarat has instituted approximately 34,323 engineering seats and approximately 47,753 diploma engineering seats. At the post-graduation (Masters) level approximately 10492 seats are available across various disciplines. The state though has made tremendous progress in terms of industrial development and is considered to be one of the fastest developing states, the higher education system in Gujarat has been unable to deliver graduates fit to be readily employed in the market. While there has been improvement in the primary and secondary education sector, the higher education scenario needs further augmentation. However, the state government is taking aggressive steps to enhance both the infrastructure and quality of higher and technical education within the state.

According to the Commissionerate of Higher Education, Gujarat; currently there are 18 state universities, 4 agricultural universities, 2 private aided universities and one central university in the state. In addition, there are 32 private universities and 6 institutes of national importance. There are two other deemed to be universities in the state. According to All India Survey on Higher Education, 2016-17 the total number of institutions of higher education is 62 in Gujarat.

## **II. Research Methodology**

The study is based on both the secondary and the primary data. Secondary data will be collected from annual reports and budgeted estimates published by grant-in-aid Universities in Gujarat.

All the state-aided universities are included in the present study. At present, the information relating to the self-financed programmes adopted by these universities is not available through secondary sources. This is collected from all the state aided universities. This data pertains to the initiative taken by the university to introduce self-financed programmes at the university level, number of self-financed programmes, nature of programme, enrolment during the past 10 years, fee structure in the self-financed programme vis-à-vis regular programme (if the same programme is adopted under regular mode or self-financed mode), etc. The data is collected from all the universities.

### **Overview of Primary Survey Conducted in the grant-in-aid Universities of Gujarat**

The survey was carried out in nine major grant-in-aid state universities of Gujarat through a well-structured questionnaire. The sample size was 50 per university. However, the sample size in universities offering maximum courses was increased as per the size of university and self-financed courses offered. Moreover, an overwhelming response was received from the students and some universities in the state. As information spread in the university that was visited about a survey being carried out on the self-financed courses, students enthusiastically volunteered to be interviewed. The staff members and university officials also were enthusiastic for such a survey being carried out in their university. However, they were too reluctant to share the accounts relating to the same. Survey could not be carried out in Sardar Patel University due to permission. It was also realised that the University had started with several self-financed courses but over a period of time number of students in these courses had been declining and as of academic year 2019-20, there was no student in any of the self-financed course offered by the University.

The paper is divided into five sections. Section one deals with introduction of the research. Section two attempts to review the existing literature. Section three deals with the socio-economic status of the students in the self-financed programmes in grant-in-aid universities. Section four deals with Self-Financed Courses in Grant-in-Aid Universities of Gujarat: An Analysis. The chapter deals with perceptions of the students about self-financed courses. It also deals with the type of the programmes adopted by the grant-in-aid universities. Finally, Section five deals with summary, conclusions and policy recommendations.

### **Limitations of the Study**

The study has been carried out only in a few selected universities in the state. It is also limited to only those programmes that have been adopted by various departments in the university and not in the affiliated colleges of the university. Moreover, since engineering and medical programmes are professional programmes and there being a rush for these programmes, both medical and engineering course have not been included in the sample.

## **Section II**

### **Review of Literature**

During the recent years, various issues relating to financing of higher education have been gaining attention, especially in the context of socio-economic change and economic development across the globe in general and India in particular. Over the years, a significant body of literature has emerged based on studies carried out on the economic aspects of higher education. However, virtually all these studies were carried out in the pre-liberalized era and very few address the issue of privatization of higher education (Upadhyay and Agrawal, 2015)

Research on the “Economics of Education” has been given consideration in a very general manner rather than precision with several contemporary studies undertaking the financing of higher education as a research subject. According to Parikh G.D. (1959), the financing of universities and colleges is a relatively neglected field in discussions on Indian higher education. Therefore, “financing of higher education” remains a promising area for research.

The basic theoretical premise on which the whole issue of financing of higher education is based is the theory of Human capital that explains returns to education. It is argued that private returns on higher education are more significant compared to the social returns. Given this the individuals should bear the cost of higher education. Consequently, this led to two different views concerning the financial responsibility for higher education that are highly debated. The first view is that higher education, similar to other levels of education, is for the common good of the people. It is argued that graduates of higher learning institutions enhance the economic, scientific and technological, cultural, and political development of a nation, and therefore, the government should be responsible of funding them. On the other hand, the second view argues that government should not be held responsible for finance beyond secondary levels of education because a university education is a means for the individual to achieve his or her own personal goals. In addition, graduates are likely to receive a lifetime income which, in most cases, is above the average of the general population (Yussof Ishak, 2001). At the same time, market system does not ensure optimum social investment in higher education, as externalities exist in the case of higher education, which is considered as a quasi-public good (Tilak 1997 and Sanyal 1998). Beyond doubt, the fact remains that in most countries, education remains a mixed good, both private as well as public. This also raises the issue of extent of government funding for higher education.

Although many have suggested that the private provision of higher education would be most appropriate, especially for developing countries where public resources are scarce, there is still a lack of empirical evidence showing that such a move would ensure efficiency and equity, while maintaining the quality of provision. All arguments, whether for or against the private provision of higher education, need to be substantiated from empirical evidence. Without such evidence all the arguments, however well been formulated and articulated, remain unexplained.

The debate about financing the investment of higher education has been concerned not only with the funding of institutions but also with financial support for individual students (Woodhall 1988,). The main concern is to determine to what extent the government should help to finance higher education, and how much should the students and their families should contribute. There are no easily applied criteria to determine the total level of either public or private expenditure on higher education. On the demand-side, the number of pupils or students enrolled in higher education is determined by a variety of economic and non-economic factors that require further investigation. Similarly on the supply-side, government policy on the supply of places and the allocation of financial resources for education in general also has an important influence on higher education development. Obviously, this will determine the level of fees and the extent of financial support required by students (Yussof Ishak, 2001).

Some studies laid emphasis on information of the higher education system and alternative sources of financing education; while other studies talked about the role of UGC in funding pattern of universities. There is only one study that discussed the effect of New Economic Policy and financing of higher education.

Sudhanshu Bhushan, NIEPA, (2005) carried out a study on Self-financing Courses in Colleges. According to the author, Self-financing programs are now becoming a reality which cannot be assumed away. There is a need to understand the fee range and differentiation of the fee structures along the programs in different types of institutions. Feedback from students of self-financing courses points towards education as human capital formation and the importance of the expected returns from investment in human capital, the determining factor in the demand for education. This is an important finding of the study.

Most studies show that public expenditures in education seem to be pro-poor when they are devoted to primary education, pro-middle income when invested in secondary education and strongly pro-rich when directed toward post-secondary education (Sakellariou and Patrinos, 2004). Studies have also found that public expenditures in education seem to be more pro-poor when they are devoted to primary education, pro-middle income when invested in secondary education and less pro-poor when directed toward post-secondary education.

In recent times, the burden on the government is increasing due to the financing of higher education although several studies have clearly shown the inability of the government to financially support higher education. Many studies have been undertaken but most of the micro level studies were carried out during the early 1960s and 1970s. More recently, some studies have been carried out on financing of higher education in India but only a few of these are case studies. Moreover, no study has been undertaken from a holistic perspective and particularly with special reference to privatization/self-financing of higher education. These studies fail to explain whether privatisation or even self-financing could be a sustainable solution for the financial stringency of the higher education system. Since the 1990s, higher education has seen enormous growth while inadequacy in policy and planning has led to a financial crisis in the financing of universities. There is hardly any study carried out on self-financing in aided universities. Not even the data at All- India level is available in this regard. Research in this critical area of university finance would contribute towards correcting systemic anomalies and help face the educational and socio-economic challenges of the 21<sup>st</sup> Century in particular and national development in general. Virtually all the studies are macro in value and do not study alternative sources of funding for the universities. Hence, the present study is an attempt to fill the gap.

### **Section III**

#### **Socio-Economic Status of Students in Self-Financing Courses**

Socio-economic background is an important determinant in decisions for entering into higher education. Socioeconomic status (SES) encompasses not just income but also educational attainment, financial security, and subjective perceptions of social status and social class. Further, SES is a consistent and reliable predictor of a vast array of outcomes across the life span, including physical and psychological health. Thus, SES is relevant to all realms of behavioural and social science, including research, practice, education, and advocacy (Titus Marvin A. 2006).

Several studies have shown direct relation between the socio-economic status and students' performance and access. (e.g., see Titus Marvin A. 2006). Resource dependency theory by researchers such as Hrebiniak and Joyce (1985); Pfeffer and Salancik, (1978), Scott, (1995) etc. provides a framework to examine how an institution's internal allocation of financial resources is influenced by the relative magnitude of the external financial resources. Extending this argument for household as an institution, socio-economic status of the students system will impact the students' entry into higher education. Similarly Jones H.(2004) also explains that students' outcomes and gender are also related.

Similarly Walpole (2003) also mentions that Low SES students are similarly underrepresented, and comparable equity issues exist for this group of students. Researchers have found that this group of students is less likely to attend college, is more likely to attend less selective institutions when they do enrol, and has unique college choice processes. Low SES students are similarly underrepresented, and comparable equity issues exist for this group of students. Peer family social status in particular does have a significant and substantive independent effect on individual academic achievement, only slightly less than an individual's own family social status.

#### **Last course undertaken**

It is in this context that understanding the socio economic status of the students entering into these self-financed colleges becomes important. As is shown in table 1 that students are entering into both undergraduate and post graduate self-financed programmes. Nearly 51% of the students have taken up an undergraduate course after higher secondary and nearly 48% are into post graduate programme after

graduation. Very few students are in research programmes. In fact, there are very few self-financed research programmes adopted by the universities.

**Table 1**  
**Last course undertaken**

Education level	Frequency	Percent
Higher Secondary	370	51.4
Graduate	329	45.7
Post Graduate	17	2.4
No Response	4	0.6
Total	720	100.0

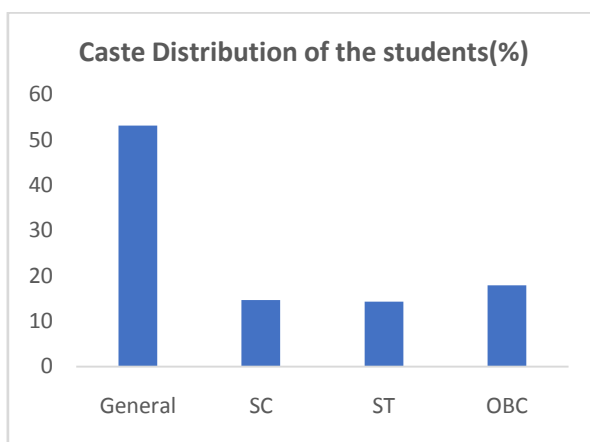
Source: primary survey for this table and all tables in the chapter.

### Caste Distribution

To understand the social distribution of the students, four different categories of castes have been considered here. The distribution of these students shows that majority of the students entering into these courses belong to general category whereas there are very students belonging to SC, ST and OBC.

**Table 2**  
**Caste Distribution of the students**

Caste	Frequency	Percent
General	382	53.1
SC	106	14.7
ST	103	14.3
OBC	129	17.9
Total	720	100.0



Their percentages are 29% for both SC and ST together and 17.9% in case of OBC. Hence, upper caste students dominate in the self-financed programmes.

### Distribution of students by religion

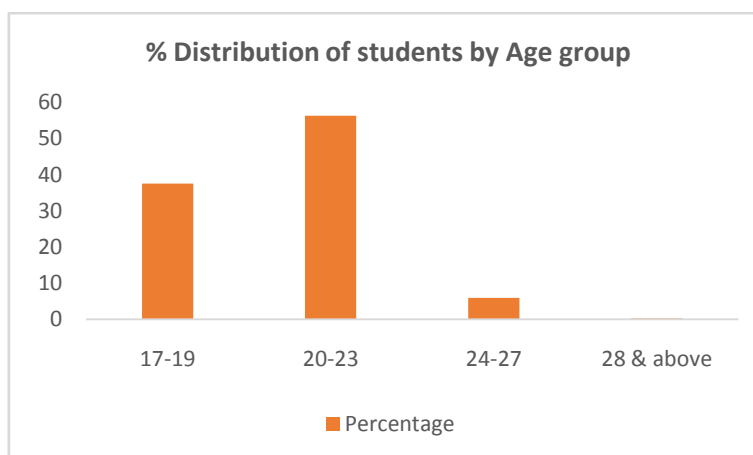
Education is an important aspect of economic life of human beings that has received tremendous interest. Researches have shown that education helps in poverty reduction, reducing income inequality and economic growth. Religious beliefs and religious communities have been found to impact on individuals in this present life. Indeed, researchers demonstrate a strong positive correlation between religion and academic achievement (Byfield Cheron (2008)). Researches have shown that the religion and religious beliefs do impact the educational achievement. An attempt is hence made in the present study to understand the distribution of students from various religious groups. India is a multi-religion country. In view of this, the religious categories were divided into four categories of Hindu, Muslim, Christian and other religion that included Neo-Buddhist, Jews, etc. However, there were no students belonging to the last category and majority of the students were Hindus being 93.8% and very few students from Muslim and Christian communities are taking up self-financed courses.

The proportion of Muslim and Christian students together was only 6.3% total. Hence, one can also say that minority students are generally not entering into the self-financed courses. In this context, it would be interesting to understand the income factor.

**Table 3**  
**Distribution of students by monthly family income and religion**

Income group	Religious Group			
	Hindu	Muslim	Christian	Total
no response	10.8	7.5	40.0	10.8
less than 20,000	20.3	12.5	0.0	19.7
20,000-25,000	10.2	15.0	0.0	10.4
25,001-30,000	13.5	15.0	0.0	13.5
30,001-50,000	22.1	12.5	40.0	21.7
50,001-75,000	15.6	27.5	20.0	16.3
75,001-100,000	5.8	5.0	0.0	5.7
100,001-150,000	0.4	0.0	0.0	0.4
150,001-200,000	0.3	2.5	0.0	0.4
More than 2 lakhs	1.0	2.5	0.0	1.1
Total	100.0	100.0%	100.0	100.0

As is shown in the table, majority of the students belong to the middle income group in all the religious groups. Whereas there are very few students in the upper income group in all the religious groups. May be, the students belonging to higher income group go either abroad or to private universities for further studies. This however, needs further probing and is another area of research. Perhaps, the self-financed courses in grant-in-aid universities are relatively less expensive for the middle class students irrespective of religion.

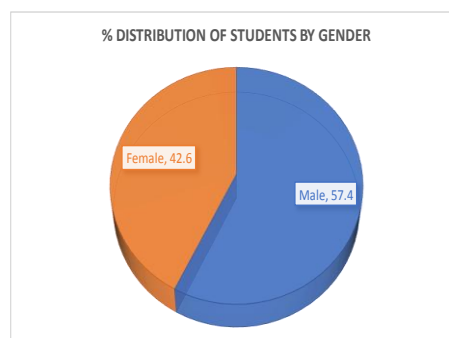


As is understood in the literature, the age group defined for higher education is 18-23 years. In this study also, majority i.e., more than 93% of the students belonged to the age group of 17-23 years. Students belonging to the higher age group of 28 and above are all research students.

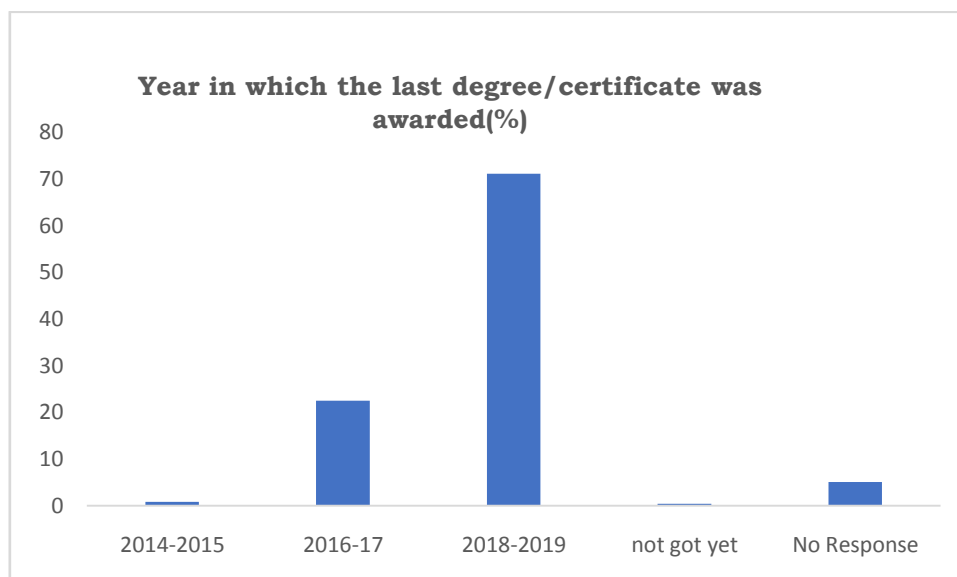


**Table 4**  
**Distribution of students by gender**

	Percent
Male	57.4
Female	42.6
Total	100.0



There are no two opinions that the proportion of women in higher education is low compared to men. According to the All India Survey on Higher Education, the proportion of men’s enrolment in higher education is more than women’s enrolment. This has also been found in the present study where the proportion of women is 42.6% and that of men is 57.4%. The gender parity index as per the survey results is 0.75.

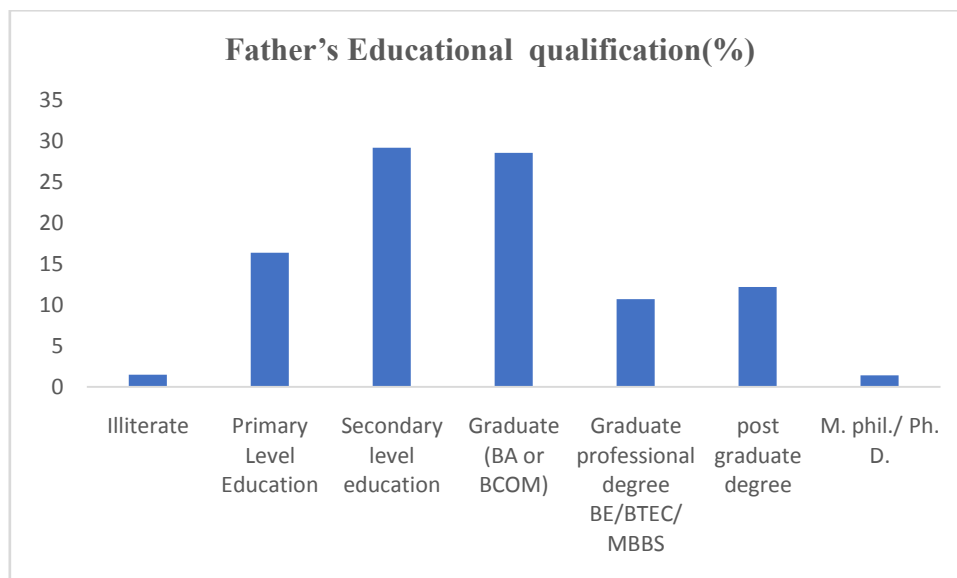


A large majority of students take up the course immediately after the completion of the previous programme. Very few students have entered before 2018-19. Hence, students are entering into the self-financed courses immediately after completion of their previous level of education.

Most of the students either choose to take up a programme either within the university from which they have taken up their previous programme or any other university in the state. In the present study, the proportion of students in the self-financed courses of students from Gujarat is around 90%. Thus, majority of students prefer to continue their education within the state. This may be because these students belonging to vernacular medium and preference for proximity to the home place. This may also be because these students belong to middle class families; and choose to be closer to their homes for financial and social reasons.

**Parent’s educational**

Parent’s educational qualification at times also influences children’s education. In the present study it has been found that in case of 18% of the respondents, father is either illiterate or studied up to primary level. However, in case of around 39% of the respondents, their father is a graduate. Very few respondents have highly qualified father with a doctorate degree. This is indicative of growing importance of education in a knowledge economy and growing demand for educated qualified labour. This is all the more important in the middle class families with bare assets and physical capital as this class belongs to the class of job-seekers.



Predominance of the students from middle class family is also reflected in the father's occupation of the respondents. Nearly 30% of the respondents belong to the government service class family. Considering the proportion of respondents from family including all services, this proportion is around 60%. Thus, it can be said that it is the middle class of the society where importance of higher education is being realised.

#### Section IV

#### Self-Financed Courses in Grant-in-Aid Universities of Gujarat: An Analysis

This section highlights the different aspects of self-financed courses in the Grant-in-Aid universities of Gujarat. The data was collected from wide range of self-financed courses. Among these courses the highest number of students were enrolled in bachelors program (almost 53 percent) followed by MBA (11.7 percent) MSW (6.7 percent).

#### Diagram Course Admitted

#### Criteria of Selection

Merit is generally the criteria of selection even in the self-financed courses. In the present study, 58.9 percent were selected on the basis of merit (Here the merit means the percentage of previous eligibility degree). In case of 29.4% of the students, entrance test is held and merit in the test is the selection criteria. These are those programmes that are very popular. These include professional programmes like social work, business administration, etc.

**Table 5**  
criteria of selection

Response	Percent
No Response	6.4
Merit	58.9
Entrance Exam	29.4
No Criteria	5.1
Don't Know	.1
Total	100.0

### Reason for taking the course

Higher education is directly related with the employment of an individual. Hence, the programme selected by the student depends on the employment potentiality after the completion of the studies. However, at times, the students themselves are unable to take the decisions and are guided by either the family or the friends. Availability of the internet facilities and dissemination of knowledge through it also facilitates the students for their future career. 50.8% of the students have taken up a course on their own. However, 17.1% of the students have no idea about employment opportunities some of them have entered into self-finance course given no choice. Very few students have taken up these courses due to family pressure or advice from friends. Hence, it seems that students explore the potentiality of the course and decide on their own for taking up a course.

### Fee Structure of Self Finance courses

The fee per semester paid by the students varies across the different self financed courses offered in different universities of Gujarat. The percentage of respondents who paid more than Fifty thousand per semester is 22.1 percent, while around 51% of the students paid 15,000-25,000 .

The percentage of respondents who do not pay any fee was 0.7 percent. It was because, these students belong to SC, ST and OBC communities and they are exempted from paying fees.

### Students' perception towards self finance courses

As mentioned earlier, employment potentiality is an important criteria for taking up a self-financed course. At times, students perceive better teaching and infrastructure in self -financed courses. In the present study, 36.4 percent of the respondents believed that self finance courses are better than Grant-in-Aid courses because of better teaching. Whereas, 17.6 percent expected good employment opportunities after the completion of the course. 17.5% of respondents expected better income earnings after the completion of these courses. However, 14% of the respondents found self financed courses no different from grant-in-aid courses. Hence, majority students are optimistic about self finance courses in the grant-in-aid universities of Gujarat. This is also reflected in their perception about the self-financed courses being better than the grant-in-aid courses and all the respondents feel that self-financed courses are better than the grant-in -aid. It is also interesting to understand the reasons for the same. 44.2% of the students found teaching to be better in Self Finance courses whereas, 22.6% of the respondents are of the opinion that infrastructure is better. Other reasons include relevance of the course and better job prospects in self-financed course (nearly 31% of the respondents).

**Table 6**  
**Reasons why self-Finance Courses are Different from Grant-in -Aid**

Reason	frequency	%
Teaching is better here	318	44.2
Better infrastructure facilities	163	22.6
Relevant Course curriculum	87	12.1
Better job prospects	123	17.1
Any other	23	3.2
No Response	6	.8
Total	<b>720</b>	100.0

### Students' Appraisal

Appraisal is a systematic yet helpful and developmental process intended to ensure that all teachers have the skills and support they need to carry out their role effectively. It helps to ensure that teachers are able to continue to improve their professional practice and to develop as teachers. In the self-financed programme this is all the more important to make a programme successful. In the present study, 64 percent of the students opined that the appraisal from the students is a regular feature of the self-financed programme. In some of the programmes there is no appraisal. These were those programmes and universities where employability of the students is very high. Hence, employability itself determines the success of the programme. .

### Satisfaction Level of Students in Self Finance Courses

The levels of satisfaction or dissatisfaction strongly affect the student's success or failure of learning. Hence, the question regarding the satisfaction of students in self finance courses lies in core of this study. 71.7 percent of the respondents were satisfied with their programme. However, 28.3% of the respondents were not satisfied.

**Table 7**  
**Is the respondent satisfied with the teaching in the SFC course**

Response	frequency	%
Yes	516	71.7
No	204	28.3
Total	720	100

### Career Counselling

Career Counselling is a process that focuses on helping an individual understand one's own self, as well as work trends, so that the person can take an informed decision about career and education. Career Counselling helps manage a diverse range of problems such as low concentration levels to poor time management, trust issues with family to non-agreement between parents and children on which career to choose. At the same time, the success of a self-financed programme will be determined by the employability of the student. The efforts begin in the educational institution itself. Career counselling has also become an important aspect of higher education in the present times. 62.6% of the respondents opine that career counselling is provided by the institution.

### Reservation in Self-financed courses

The main aim behind introducing reservation was to help the deprived section of the society in order to provide them with better education, and equal opportunities. Hence, it becomes important to understand if the policy is adopted in the self-financed courses or not. In majority of the courses (61% respondents), the policy of reservation is adopted whereas in some of the courses no such policy is adopted. These are those courses in which the fees is extremely high.

### Concluding Remarks

The higher education system sits at the apex of the education system, supporting the lower levels of education, preparing professionals and skilled labour, and serving as an incubator for research. As developing countries expand basic education systems and increasingly transition into the knowledge economy, higher education will play an important role, as acknowledged in the Sustainable Development Goals, serving as an incubator for the knowledge base and human capital needed to promote and sustain development across many sectors (World Bank, 2017). Although it is reasonable to regard education a fundamental source of economic growth, spending on education is also facilitated by the growth of national income. In the developing countries, constraints on public resources and current economic conditions have reduced most governments' ability to provide adequate funding for further expansion of the educational system, in particular at the higher level (Yussof Ishak, 2001). The demand for education at every level is rapidly increasing. However, funds for education are not increasing at a commensurate level resulting into the widening gap. It was in this context that the present study was undertaken.

The study found that among all the courses in SFC, the highest number of students were enrolled in bachelors program followed by MBA and MSW. merit is generally adopted as criterion for selection even in the SFCc. Reasons for admission to these courses include better teaching, better career prospects or to some extent, non-availability of opportunity in the grant-in-aid programmes. The fee per semester paid by the students varies across the different self-financed courses offered in different universities of Gujarat. In some of the courses in a few universities a few students do avail free ship cards. However, there are very few such students. Students in self-financed courses are much more punctual and overall, students are optimistic about self-finance courses in the grant-in-aid universities of Gujarat due to better teaching and better job prospects. In majority of the case, students' appraisal is available. At times they feel that this results in better teaching. In majority of the cases, career counselling is also available to the students. These are the reasons why self-financed courses are gaining momentum in many of the universities.

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