

# Importance of Scholarship Scheme in Higher Education for the Students from Deprived Sections

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# Importance of Scholarship Scheme in Higher Education for Students from the Deprived Sections

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## Abstract

Given the challenges faced due to declining public budgets on education on one hand and the need for more resources on the other, many developed and developing countries such as India, are now examining alternative methods of subsidizing higher education to benefit students from the deprived sections. One such mechanism is scholarship schemes for students. A scholarship scheme is not a new phenomenon in India. Scholarship Schemes have been in operation in India since 1961. This paper critically examines 24 scholarship schemes provided by the central government and, the paper examines the private expenditure of students on their higher education. The study provides us with some interesting observations such as (1) The GER (Gross Enrollment ratio) of all categories is 26.3% in higher education but when we exclude SC (scheduled caste) and ST (scheduled tribe) from it; then GER for all other categories increases to 28.25%. (2) The share of means-based scholarship schemes is less in comparison to means cum merit and merit-based scholarship schemes. (3) Student's private expenditure on course fees is more than 65%, but only 46% of scholarship schemes cover both the course fees and the maintenance cost of the students. (4) The average private expenditure of students on maintenance cost in general degree courses is ₹ 7,078 and for technical/professional degree course it is ₹ 17,769; however, the maintenance amount provided by 70 % of the scholarship schemes is less than 5,000 rupees. The study concludes that the current scholarship schemes are making little contribution to either the efficiency or equity of the higher education system in India. The existing lacuna in Indian scholarship schemes can be corrected by doing some alterations in the policies, such as: (1) the government should be more focused on the means-based scholarship rather than merit-based. (2) The scholarship amount for both the course fees and the maintenance cost should be revised every 5 years and, (3) A greater number of scholarship schemes should cover the course fees of the students.

**Keywords:** *Higher Education, Scholarship Scheme, Central Government, Deprived Section, Gross Enrollment Ratio, Course Fees, etc.*

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# **Importance of Scholarship Scheme in Higher Education for the Students from Deprived Sections**

## **Introduction**

For a long time, education was publicly provided by every nation (Tilak, 2013). The dominance of state subsidy was the outstanding feature of most education systems. Such a unique position is shared only by some limited range of goods and services such as national defense, internal security, court, police, etc. (Tilak, 2013). Around the world, higher education is viewed as an engine of social mobility and opens new opportunities for students from disadvantaged backgrounds (Brajkovic, 2019). In a society like India, where disparities and differences in all possible parameters are significant, education can contribute to bridging this gap. It has the potential to help the marginalized and poor come out of the poverty trap.

After the 1980s, because of the declining public budget on one hand, and the need for more resources on the other, many developing countries such as India, have been examining alternative strategies for financing higher education (Tilak, 2008). Some of the strategies involve cost-saving measures, cost-sharing, or cost recovery measures including increasing tuition fees, introducing student loans, and income-generating activities (Varghese, 2019; Panigrahi, 2019). Most of the higher education institutes in India resort to cost-sharing (increase in academic fees) measures. The private higher education institutes generate 80 per cent of their income through academic fees (Angom, 2018).

An increase in course fees leads to an increase in private expenditure of the students in higher education. Private expenditure refers to the part of expenditure/investments which are incurred by either the parents or students or both for acquiring education. It includes academic fees and maintenance expenses of the students. An increase in private cost (due to an increase in academic fees) of higher education affects the socially and economically weaker sections of the society, as they do not have enough resources to support their higher education. The government interventions are much needed to reduce the private costs on higher education to maintain equity and accessibility for the disadvantaged sections. As the dynamics of financing higher education has changed from public to private, the government should also change the funding techniques of higher education.

Traditionally, funding of higher education is done by providing funds to institutions to cover their maintenance cost of higher education (which includes the salary for teaching and non-teaching staff). This type of funding helps the institutes to charge lesser academic fees and indirectly provide subsidies to the students. Many scholars have argued that this type of subsidization technique only helps the richer sections to study at the subsidized rates at the expense of the poor. The seats available in these institutes are limited and rich students get most of them, as higher education is more accessible to the rich in comparison to the poor. Therefore, in order to subsidize the private expenditure made by the poor on higher education, the government needs to intervene and increase the funding on higher education for the deprived sections. It will help them to get direct subsidies in financing their private expenditure on higher education and this will also increase the accessibility of higher education among the poor.

The policy of 'Funding Institutes' should be changed to 'Funding Student's Private Expenditure' in the form of scholarship schemes, special schemes, and financial assistance to the disadvantaged sections of the society. Many developed countries allocate one-fourth of their higher education budget on scholarship schemes (Goksu, 2015). They have achieved better outcomes, for example, Australia provides a scholarship called "Commonwealth Indigenous Scholarship" to their Indigenous Students, which help low-income Indigenous students in meeting relocation cost and study cost. A report "Moving Beyond 'Acts of Faith': Effective Scholarships for Equity Students" by National Centre for Student Equity in Higher Education (Australia), analyzed the effect of equity scholarships at Queensland University of Technology, including the Commonwealth Indigenous Scholarship. It showed that the scholarship holders had higher retention rates than non-scholarship holders. This was particularly true for Indigenous scholarship holders, who had a 6.7 percent higher retention rate than other Indigenous students. Similarly, in a study done by the Institute of Economic Growth - "Evaluation of Central Sector Scheme of Scholarship for College and University Student" we found that the decision to go for higher education or not is highly influenced by the availability of scholarship among the students from lower-income groups. In a sample (students who have less than fifty thousand income) of the above study, about 33 percent of the students falling in the income category of below fifty thousand will not pursue higher education if the scholarship is not available. However, only 19 of per cent students falling in the income category of 3-5 lakh will not pursue higher education if the scholarship is not available. This clearly shows that target subsidization of students' private cost on higher education increases the accessibility and

equity in higher education. The GOI (2011) also recognized that scholarships and fellowships are important instruments to overcome the financial constraints faced by students in pursuing higher education in India. However, on the contrary, of the total allocated budget for expenditure on university and higher education, India spends only 0.82 percent on the scholarship scheme (Narayana, 2019).

This paper will aim to answer the following question: (a) what is the GER (Gross enrollment ratio) of students from the disadvantaged sections in higher education. (b) What is the average private expenditure of students on higher education in different courses (General, Technical/professional) and institutions (Government, Private and Private Unaided)? (c) To what extent does the scholarship provided by the central government help in subsidizing student's private expenditure on higher education? (d) Is the scholarship amount enough to cover the student's private expenditure on higher education? (e) What is the percentage of scholarship provided by the central government to the disadvantaged section? (f) What percentage of the scholarship schemes are mean, means cum merit, and merit-based?

To answer these research questions this paper (a) presents a detailed analysis of enrollment of students from various categories and their GER (Gross enrollment ratio) with the help of the AISHE report 2018-19. (b) An analysis of the private expenditure made by a student in different courses and institutions with the help of NSS 71st Education in India report. (c) Analyze the percentage of student's private expenditure on course fees and maintenance cost. (d) Analyze the nature and extent of the scholarship scheme provided by the central government. Throughout, the methodology is positive and descriptive and based on secondary and published data. Three key databases used are (a) NSS-71st Education report in India 2014. (b) All India Survey Higher Education report (2018-19). (c) Various websites of the central government in search of scholarships for undergraduate and postgraduate students.

### **Scholarship provided by Central Government**

In the study "Indian Higher Education Report 2018" it was analyzed by M.R Narayana in the chapter "Scholarship Scheme for Student Financing", that the percentage of expenditure by the union government (aggregate sum of the Union, State and UT government) on scholarship schemes has increased from 2.97 per cent (2003-04) to 80.01 per cent (2014-15). In addition, there is also an increase in the aggregate sum of Union, State, and UT government expenditure on scholarships from 255.651 million (2003-04) to 29,084.33 million (2014-15). These trends indicate the growing importance of scholarship programs in India.

In this paper, we have analyzed all the scholarship schemes provided by the central government for undergraduate and postgraduate students. The reason we have considered scholarship for UG and PG program only is that out of the total enrollment in higher education, 90.6 per cent of the students enroll in UG and PG programs (AISHE, 2019). There are 24 central government scholarship schemes- for students in undergraduate and postgraduate courses, 17 out of the 24 scholarships are provided by central government through various ministry departments, 4 out of 24 scholarships by UGC (University Grant Commission), and 3 out of 24 by AICTE (All India Council for Technical Education).

The Scholarships given by the central government for higher education can be divided into the following three categories:

1. Means Based
2. Merit-Based and
3. Means cum Merit-Based.

Means based scholarship is the scholarship given to students based on their social and economic background. For example, scholarship provided to students from the SC and ST community with annual income less than 2lakh. The merit-based scholarship is the scholarship given to a student based on their performance in the test conducted for the scholarship or their percentage in 12th board examination. The merit-based scholarship is often utilized by students who would have gone to college anyway (Cornwell and Mustard 2006, 2007). This also raises the question about its need in a country like India.

**Table 1: Division of scholarship based on Means, Merit and Merit cum Means basis.**

Department	Means based	Merit based	Merit cum means based	Total
Central Government	4	2	11	17
UGC	3	1		4
AICTE		1	2	3
<b>Total</b>	7	4	13	24

Merit cum means based scholarship is the scholarship given to those students who belong to deprived sections and is also based on their performance in the test conducted for the scholarship or their percentage in 12th board examination. The scholarship with the objective to encourage meritorious students from the deprived sections for higher education by providing them financial assistance falls under the category of merit cum means scholarship

If we distribute the scholarship used for the study based on means, merit, and means cum merit criteria, 7 out of 24 scholarship are means based, 4 out of 24 are merit-based and 13 out of 24 are means cum merit-based. Most of the scholarships belong to the means-cum-merit based category, that is 54 per cent. Almost 70 per cent of scholarships given by the central government are in the category of merit and means cum merit-based scholarship. These trends imply that the scholarship system for poor is inherently inequitable as the poor should be meritorious to receive the scholarship and stay in higher education, while there is no such condition for the rich (Dinesh Mohan, 2013). The students from the deprived section have lower enrollment and completion rates in higher education. Therefore, the government should work more on making the scholarship system more equitable so as to increase the enrollment and completion rate of students from the deprived sections.

In the next section, we will analyze the enrollment and GER (Gross Enrollment Ratio) of the student in higher education and the percentage of the scholarship provided to the student with low enrollment and Gross enrollment ratio.

## Enrollment of students in Higher Education

**Table 2: Distribution of enrollment of the students in higher education in various category**

Year	General	SC	ST	OBC	Muslim	Other Minorities	Total
<b>2018-19 (in percentage)</b>	35.8	14.9	5.5	36.3	5.2	2.3	100
<b>2018-19 (in millions)</b>	13.39	5.57	2.06	13.58	1.94	0.86	37.4

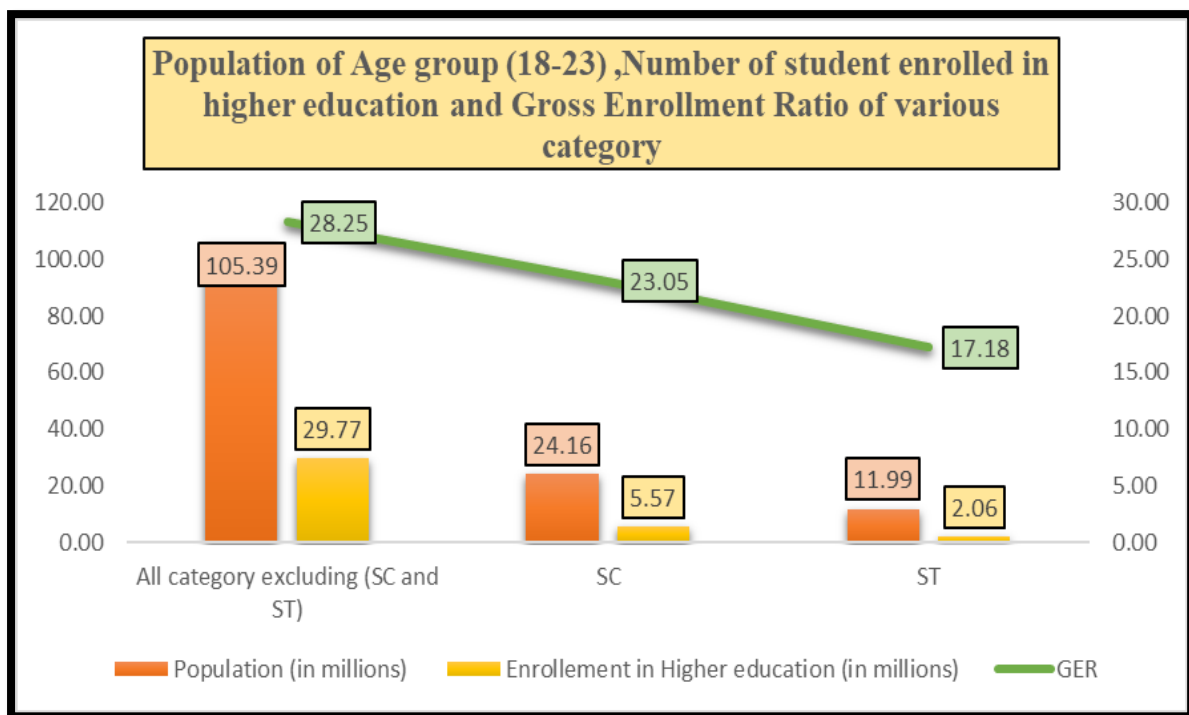
*Source: All India Survey on Higher education (AISHE) 2018-19*

According to the AISHE report (2018-19), the total number of students in higher education is 37.4 million. Table 2 shows the enrollment of students in higher education in various categories. In the table we can see that the General and OBC (Other Backward Class) have maximum share of enrollment, together they constitute 72.1 per cent of the total enrollment. Other categories such as SC (Schedule Caste), ST (Schedule Tribe), Muslim, and other minorities group constitute only 28 per cent of the total enrollment. Therefore, the scholarship schemes should target the students who have lower enrollment percentage to increase their enrollment in higher education.

The lower enrollment percentage in higher education does not give a clear picture of the precarity of these categories in higher education. Many will argue that since they constitute a lower share of the population their share is lower in higher education enrollment as well. To clear this picture, we must look at the Gross Enrollment Ratio (GER) of the students in various categories. Gross Enrollment Ratio of students from various categories is calculated by the formula:

$$GER = \frac{\text{Number of students in a particular category who are enrolled in higher education}}{\text{Total population in a particular category in the age group (18 – 23)}} * 100$$

**Figure 1: Population of age group (18-23) in India, Number of students enrolled in higher education and Gross Enrollment ratio in various category.**



Source: Author calculation by population projection (MHRD, 2016) and AISHE 2018-19

Figure 1 clearly shows that the gross enrollment ratio is lower for the group whose percentage of enrollment is also low in higher education. The GER of all category (excluding SC and ST) is 28.25 per cent. Whereas the GER of SC and ST category is 23.05 and 17.18 percent respectively.

According to the AISHE report (2018-19), GER of all category is 26.3 per cent but if we exclude SC and ST then GER increases to 28.25 per cent. It implies that GER for categories like general and OBC (other backward class) in higher education is much higher. Due to data constrain we were not able to calculate the GER for categories like Muslim and other minorities



but from Table 2 it is clear that the Muslim community enrollment in higher education is 5.5 per cent of the total enrollment which is very less compared to their share of 14.23 percent (census, 2011) of India's total population.

**Distribution of scholarship for various category:**

To analyze the share of central government scholarships for students who have lower enrollment and GER in higher education; we have distributed the scholarship into 4 categories (For SC, ST, Minorities and Other). The enrollment of SC, ST, Muslim, and other minorities is very less in comparison to general and OBC categories. Is the percentage of scholarship provided by the central government is appropriate for the categories like SC, ST, Muslim and other minorities? To answer this question, we have to look at the distribution of scholarship for various categories.

**Table 2.1: Distribution of scholarship for various categories such as SC, ST, Minorities and others**

Department	SC	ST	Minorities	Other *
<b>Central Government</b>	1	1	4	11
<b>UGC</b>		1	1	2
<b>AICTE</b>				3
<b>Total</b>		3	5	16

Note: Other\* category includes scholarship for economically weaker sections, disable persons, public workers department, women and test based.

Table 2.1 clearly shows that only 3 out of the 24 total scholarships provided by the central government are especially for SC and ST. In other categories, many scholarships have a reservation for SC (15percent) and ST (7.5percent) but there is no such reservation for minorities. There are only five-scholarships especially for minorities including a scholarship for Northeastern Region and Non-Hindi speaking students.

The scholarship system of India is not target based, as there are very few scholarships for a student, especially for the disadvantaged section and means based. Also, as the study “Evaluation of central sector scheme of scholarship for college and university student”, done

by the Institute of Economic Growth shows- the overall utilization percentage of the central sector scholarship schemes in India is 49.43 per cent, which means that out of the total seats only half are utilized. Within that, percentage of utilization by the general category and OBC category is 54.11 and 52.76 percent respectively. Whereas the percentage of utilization for SC and ST category is 40.64 and 23.58 per cent respectively. Therefore, in India, the disadvantaged sections not only have a lower percentage of enrollment in higher education but they also have lower utilization percentage in the scholarship scheme.

However, many developed countries like Australia, Canada, with well-functioning higher education system, introduce target-based grants and scholarships to increase the enrollment of students from the disadvantaged section. Besides that, they are also able to achieve successful outcomes. India should change its scholarship system from means cum merit to means-based scholarship and give preference to those categories that have lower enrollment in higher education.

In the next section, we will see the private expenditure of students in various degree courses (General and Technical/Professional) and in different types of institutes (Government, Private Aided and Private Unaided) to answer one of our objectives- to what extent do scholarships help students to cover their private expenditure. One of the main reasons students from disadvantaged groups have lower enrollment in higher education is the lack of resources. Also, the discount rate of taking one more year of education is higher for disadvantageous section students than students from the advantageous section. The families from lower-income quartile have a higher share of expenditure on higher education than a family from higher-income quartile (NSSO, 2014). Therefore, all these factors discourage disadvantage section students to enroll themselves in higher education. Besides that, with an increase in privatization of higher education, the only choices left for the disadvantage section student is to either join a Government institute (which are few) or become meritorious enough to get the scholarship or to discontinue their higher education.

### **Students Private Expenditure on Higher Education:**

To analyze if the scholarship amount provided by various scholarships is sufficient to cover the student's private expenditure on higher education. We must look at Average (₹) per student expenditure during an academic session for pursuing general and technical/professional degree courses in different institutions in higher education.

**Table 3: The average expenditure per student (₹) during an academic session pursuing a General degree course at different institutions for graduation & above**

<b>Institution</b>	<b>Course Fees*</b>	<b>Book, Stationery &amp; Uniform</b>	<b>Transport</b>	<b>Private Coaching</b>	<b>Other Expenditure</b>	<b>Total</b>
<b>Government</b>	3697	2257	1673	1706	836	10169
<b>Private Aided</b>	7378	2521	2311	1228	1018	14456
<b>Private Unaided</b>	13468	2895	2396	1102	1292	21153

*Source: NSS 71<sup>st</sup> Round 2014, Education in India*

*Note: Course Fees\* includes tuition fee, examination fee, development fee and other compulsory payment*

The percentage of difference in course fees between government and private aided institute is 66.47 per cent. Similarly, the difference between government and the private unaided institute is 114 per cent. The average difference in course fees between government and private institutes is more than 90 per cent for the same course. The subsidy from the government helps the government and private aided institutes to demand lower course fees.

The wide variation in course fees of private aided and unaided institutes discriminate against students from the disadvantaged group. They are the only ones completely alienated from private institutes because they do not have enough resources to pay their course fees. Also, according to the AISHE (2012-13) report, the enrollment of students in private aided and unaided colleges is 38 and 23 percent respectively and for the government colleges is 39 per cent. The share of government, private aided and unaided colleges is 58, 15, and 27 per cent respectively (AISHE, 2016). It means that higher education in India is being highly privatized- as the large share of enrollment and colleges are in the private sector.

It is also observed that there is an increasing trend in student's private expenditure on higher education in all items (books, stationery, uniform, transport and other expenditure) from the government to private institution except in private coaching. Which we will analyze in the further section.

Similarly, if we calculate the percentage of the difference between government and private aided institution for technical/professional degree courses, it is 64 per cent, and for government

and private unaided institutes it is 94 per cent. In the technical/professional degree courses, the average percentage of the difference between government and private institutes is not more than 80 per cent. Similarly, in technical/professional degree course, like general degree courses, there is an increasing trend in the expenditure of all other items except private coaching.

**Table 3.1: Average expenditure per student (₹) during current academic session pursuing technical/professional degree course at different institutions for graduation & above**

<b>Institution</b>	<b>Course Fees*</b>	<b>Book, Stationery &amp; Uniform</b>	<b>Transport</b>	<b>Private Coaching</b>	<b>Other Expenditure</b>	<b>Total</b>
<b>Government</b>	25066	5308	2545	2663	4324	39906
<b>Private Aided</b>	48857	6653	4278	2117	5572	67477
<b>Private Unaided</b>	70008	7422	4550	1340	6616	89936

Source: NSS 71<sup>st</sup> Round 2014 Education in India

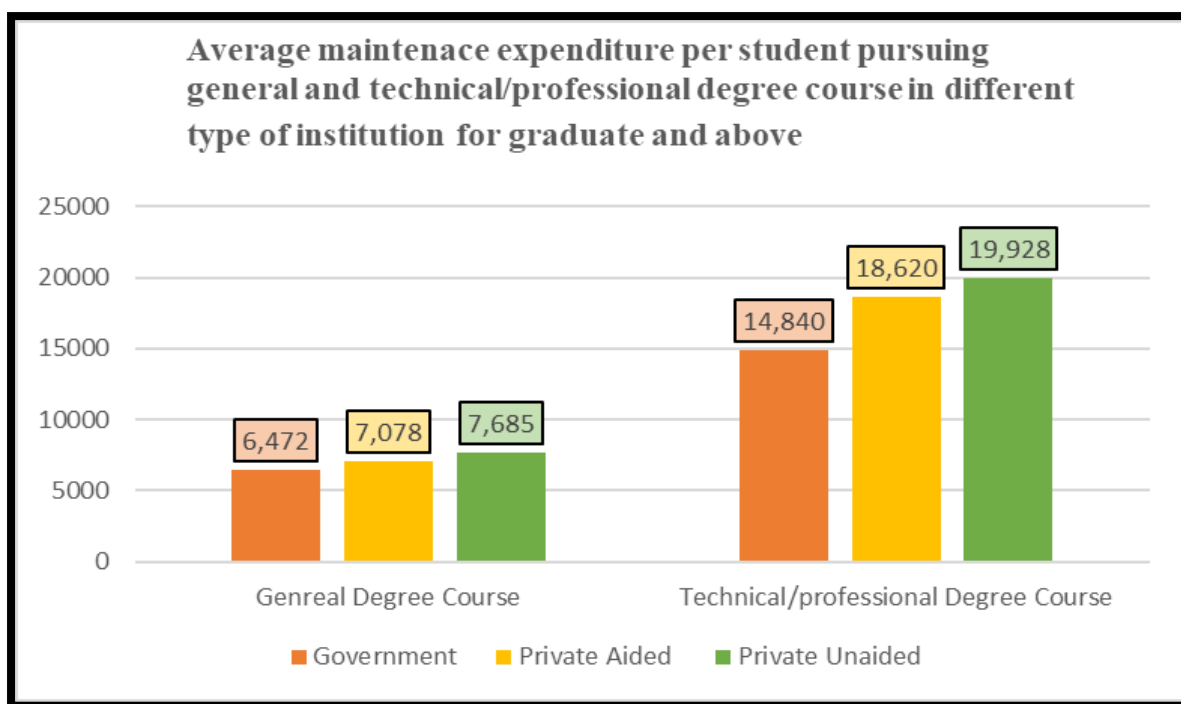
Course Fees\* includes tuition fee, examination fee, development fee and other compulsory payment

We can see that in private unaided institutes, both general and professional degree courses; fees is more than 80 per cent higher than the government institute. This is not the case in private aided institutes, in private aided institutes, fee is not more than 60 per cent higher than government institute. Government institute is entirely processed on public funding which is why their academic fees is lower than a private aided and unaided institute. However, the private aided institute is partially funded by the government, so their fee is little less compared to a private unaided institute. The private unaided institute is self-reliant, that is why their course fee is higher. It was also pointed out by Sangeeta Angom in her paper “Financing of Private Higher Education in India”, that private higher education institutes get 80 per cent of their income through course fees.

In Figure 2 we can see that there is not much difference between the government and private institutions in maintenance cost (including book, stationery & uniform, transport, private coaching, and other expenditure). The difference in the percentage of maintenance cost between government and private aided institutions is 17.13 and 29.26 per cent for general and technical/professional degree courses, respectively. Similarly, percentage of difference between government and private unaided institute for general and technical/professional degree

college is 8.94 and 22.59 per cent respectively. In comparison to the percentage of difference in course fee between government and private institutes, maintenance cost has a very negligible difference.

**Figure 2: The Average Maintenance expenditure per student (₹) during the current academic session pursuing general and technical/professional degree course at different institutions for graduation & above.**



Source: NSS 71<sup>st</sup> Round 2014 Education in India

The average maintenance cost per student for the general degree courses across institutions is ₹ 7,078 and for technical/professional degree is ₹ 17,769. Let us compare the average student expenditure on maintenance costs in both the degree courses to the central government scholarship amount.

Table 3.3 shows that almost 70 per cent of scholarships provide an amount less than five thousand. It implies that 70 per cent of scholarship fails to even cover the average student maintenance cost on a general degree course i.e. ₹.7,078. Whereas none of the scholarships provides maintenance cost of more than ₹15,000 in comparison to ₹ 17,769 which is the average maintenance cost of a student doing a technical degree course. It is high time for the policymaker to evaluate student expenditure on maintenance cost and change the scholarship amount accordingly.

**Table 3.3: Amount provided by scholarship to cover Maintenance cost of the student on higher education.**

Amount Range (Monthly)	Central Government	UGC	AICTE	Total
>1000	1			1
1000-5000	12	2	2	16
5000-10000	2	2		4
10000-15000	2		1	3
<b>Total</b>	17	4	3	24

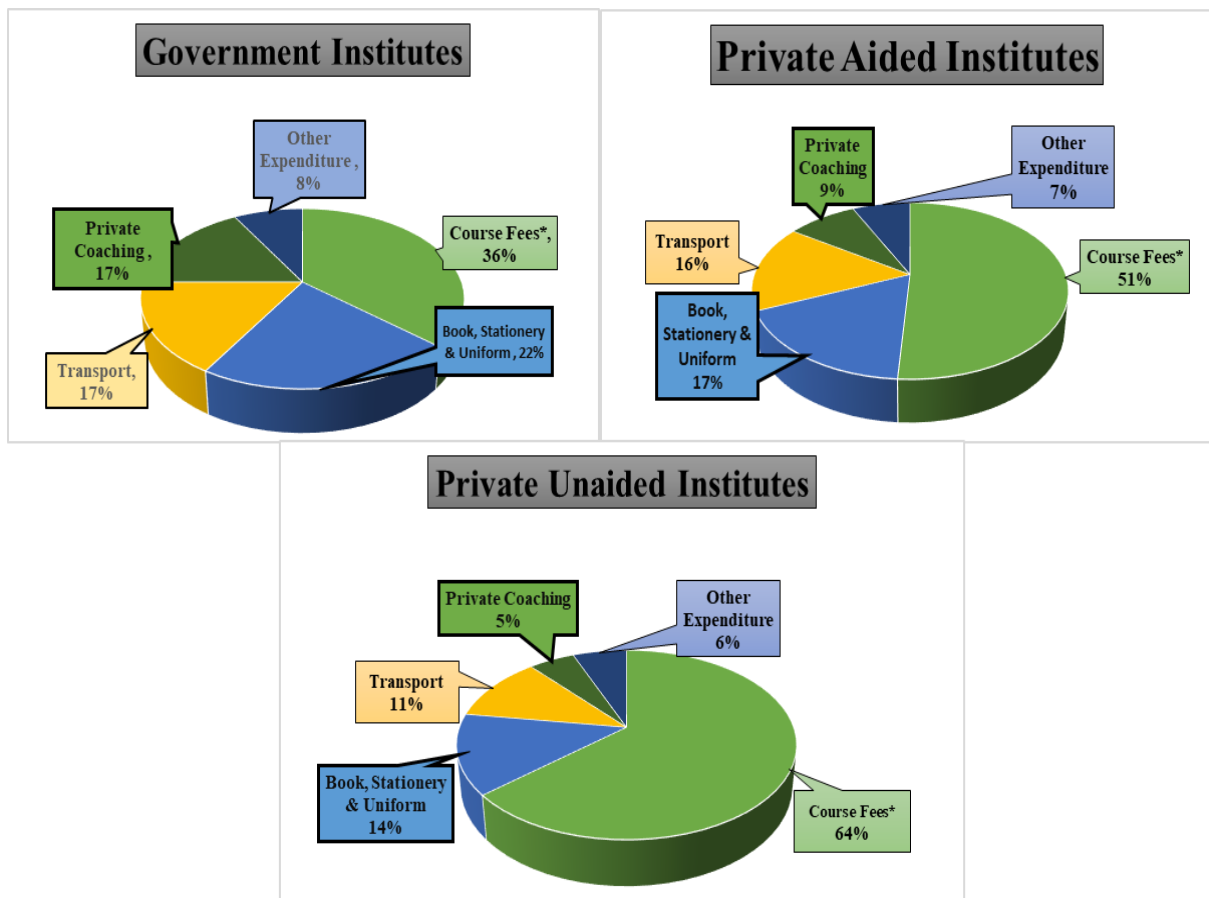
In the field observation, done for the study “Evaluation of Central Sector Scheme for Scholarship” – it was shown that the beneficiaries of the scholarship scheme are highly dissatisfied with the scholarship amount. The scholarship amount for the central sector scheme is ₹ 10,000 per annum for an undergraduate student and ₹ 20,000 per annum for post-graduate students. The students even mentioned that the scholarship amount is not enough to buy books and stationery for the academic session. Also, in their empirical research, it was observed that only 11 per cent of students’ expenditure on maintenance cost is less than ₹ 2,000 per month, while 79 per cent of students’ maintenance cost is more than ₹ 5,000 per month. Therefore, the scholarship amount is very less in comparison to the expenditure made by students on maintenance cost.

In the next section, we will observe the percentage of private expenditure made by the students on course fees and maintenance cost in higher education to analyze on which component students spend the most. Can the scholarship provided by the central government subsidize that component? Many scholars, however, have argued that the highest share of student expenditure is on course fees.

### **The percentage share of student's private expenditure on various components**

This section analyzes the share of student’s private expenditure on different components in different institutes to analyze which component needs to be subsidized the most and what percentage of scholarship schemes will be able to cover that component.

**Figure 3: Share of percentage on academic fees and maintenance cost in general degree courses (per student) at different institutions on Higher Education:**



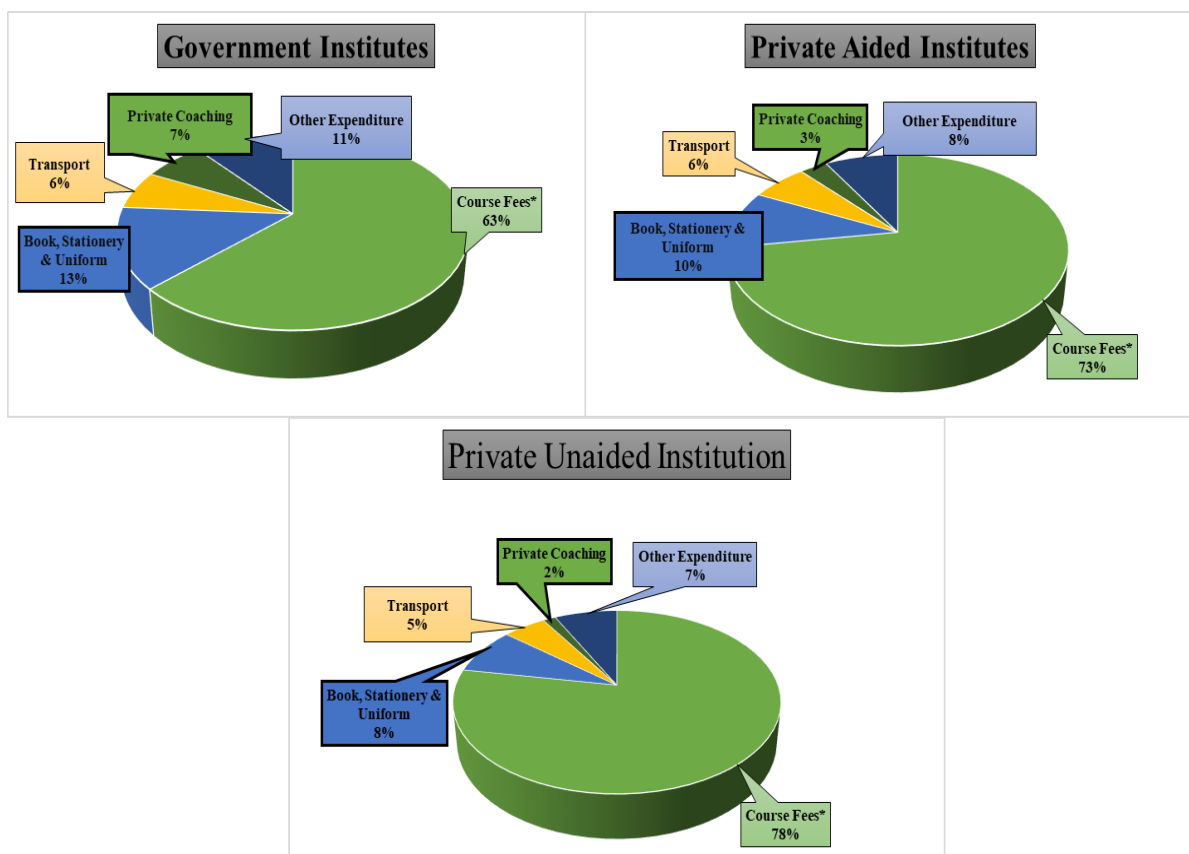
Source: Author calculation using NSS 71<sup>st</sup> Round 2014, Education in India

In a General degree course at government institutions, the share of student's private expenditure on course fees is 40 per cent. In private aided and unaided, the percentage goes up to more than 50 per cent. Similarly, in figure 4, the share of private expenditure on course fee is 62.81 per cent in government institutes and more than 70 per cent in private aided and unaided institutes for technical/professional degree course. It simply shows that a large share of private expenditure done by students is on course fees.

In both the figures, we can observe that the percentage of student's private expenditure on higher education shows an increasing trend from the government to the private unaided institution on course fees. However, there is a declining trend in all other components except course fees. However, in monetary terms in table 3.1 and 3.2 we can see that there is an increasing trend in all other items except private coaching. Therefore, in private aided and unaided institutes the share of maintenance cost items may be less, but the amount is more in the government institution.

The student private expenditure on private coaching for higher education in government institutions is 16.78 per cent i.e. ₹.1,706 in the general degree course. In private aided and unaided institute, it is 8.49 (₹ 1,228) and 5.21 (₹ 1,102) percent respectively. In technical/professional degree course the share is 6.67 (₹ 2,663), 3.14 (₹ 2,117) and 1.49 (₹ 1,340) for government, private aided and unaided institutes respectively. Private coaching is the only component, which is showing a declining trend from the government to private unaided institutes in both percentage and monetary terms. We can say that there is an inverse relationship between expenditure on course fees and private coaching. Therefore, an increase in expenditure on course fees leads to a decrease in expenditure on private coaching and vice versa.

**Figure 4: Share of percentage on academic fees and maintenance cost in technical/professional degree course (per student) at different institutions on Higher Education.**



Source: Author calculation using NSS 71<sup>st</sup> Round 2014, Education in India

This clearly states that the quality of government institutions is declining, as the students have to spend more on private coaching for studies. The cause of the declining quality of government



higher education institutions is that after 1980 there is a shrink in the public budget for higher education and an increase in the number of students (Tilak, 2013).

The highest share of student's private expenditure is on course fees. Now, if we look at the coverage of scholarship (used for the study) on course fees and maintenance cost.

**Table 4.2: Scholarship coverage based on academic fees, maintenance cost and academic fees plus maintenance cost provided by the central government**

Department	Course Fees	Maintenance cost	Both (course fees and Maintenance cost)	Total
<b>Central Government</b>		8	9	17
<b>UGC (University Grant Commission)</b>		4		4
<b>AICTE (All India Council of Technical Education)</b>		1	2	3
<b>Total</b>	0	13	11	24

Table 4.2 clearly shows that 8 out of the 17 central government scholarship schemes only cover the maintenance cost and 9 out of 17 cover both the course fees and the maintenance cost. In UGC all four-scholarship schemes cover only maintenance cost. In AICTE scholarship, two out of three cover both maintenance and course fee and one covers maintenance cost. If we consider all the 24 scholarships, 11 cover both the course fees and the maintenance cost (46% of total scholarship) and 13 out of 24 (54% of total scholarship) cover only maintenance cost.

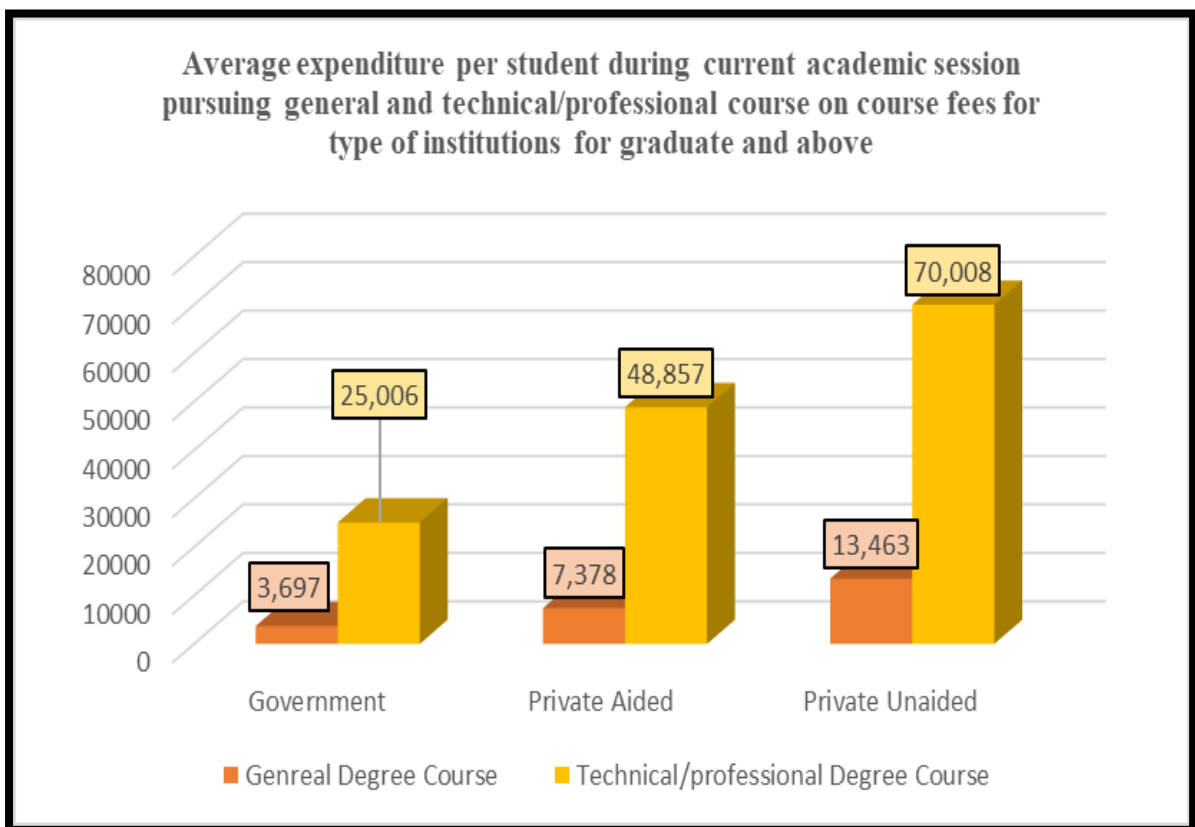
This concludes that 54 per cent of the central government scholarships fail to recognize the highest share of student's private expenditure on course fees. If the scholarship holder from the disadvantaged section is not able to cover 50 to 70 per cent of the private expenditure on higher education then either they will discontinue their education or take admission in the government institution for general degree courses where the percentage share of student's private expenditure on course fees is less than 40 per cent.

In the next section, we will see the difference in the expenditure of general and technical/professional degree courses, then compare it with the scholarship schemes provided by the central government to both the degree courses.

**The difference in Private expenditure of the students in General and Technical degree courses**

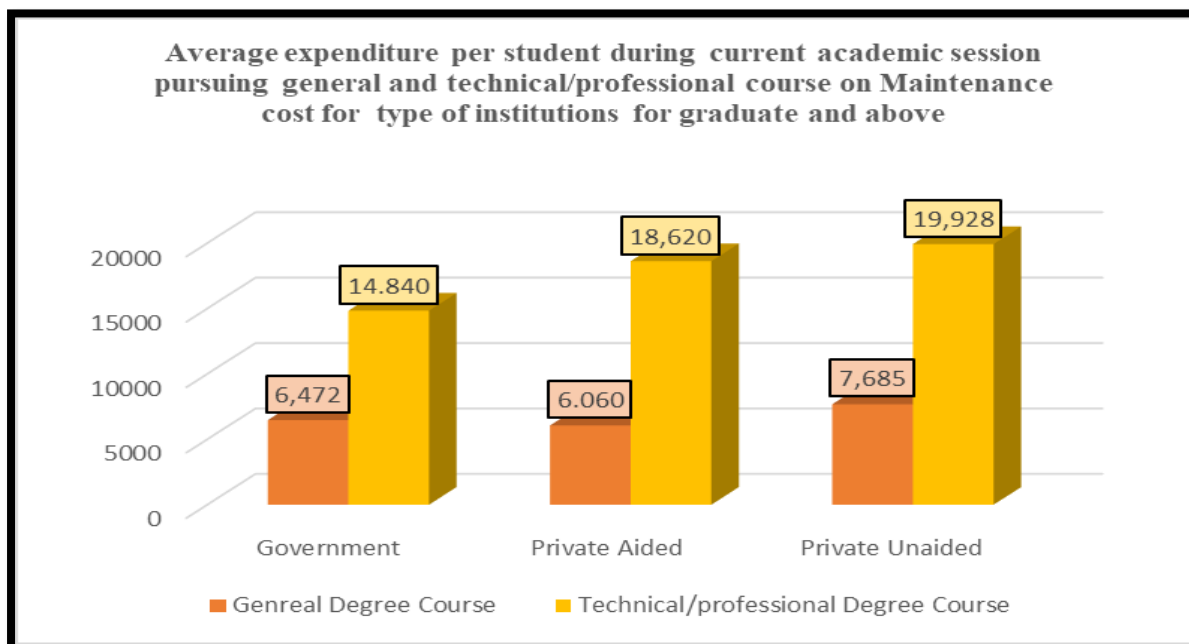
Figure 5 clearly shows that there is a vast difference between the course fee of general and technical/professional degree courses across the institutes. The percentage of difference in course fees for the general and professional/technical degree in government, private aided and the unaided institutes is 149, 147 and 138 per cent respectively. The average difference in course fees between both the degree courses is 145 per cent, which is very high. Students from the disadvantaged sections will not opt for technical/professional degree courses until they get any help from the government. However, we have also observed above that only 45 per cent of scholarship schemes by the central government cover the course fee for higher education.

**Figure 5: Average expenditure per student (₹) on course fees in general and professional degree course on higher education.**



Source: 71<sup>st</sup> Round 2014, Education in India

**Figure 5.1 Average Expenditure per student (₹) on Maintenance cost in general and technical/professional degree courses.**



The above figure clearly shows that there is also a huge difference between the maintenance cost of general and technical/professional degree courses. The percentage of difference in general and professional/technical degree in government, private aided and unaided institutes on maintenance cost is 78, 101, and 89 per cent respectively. The average difference in the percentage of maintenance cost of general and technical/professional degree course is 89 per cent, which is less than the percentage of the course fee. This states the fact that expenditure by students on technical/professional degree course is very high, more than 100 per cent than general degree courses across institutions. Therefore, the decision to opt for technical/professional degree education is not easy for students belonging to the disadvantaged sections due to financial constraints and lack of resources.

**Table 5: Division of scholarship based on general and technical/professional degree course:**

Department	General Degree Course	Technical/professional Degree Course	Both (General and Technical/professional degree course)
Central Government	2	6	9
UGC	2	1	1
AICTE		3	
<b>Total</b>	4	10	10

Now, we will see the division of scholarship based on general and technical/professional degree course. For general degree course, there are only four scholarship schemes. For technical/professional degree courses there are 10 out of 24 scholarship schemes and the remaining 10 scholarship schemes are for both the courses. There is a very small number of scholarships allotted for general degree course but for technical/professional degrees, there are enough scholarships given by the central government.

Even though there is an appropriate number of scholarship for technical/ professional degree courses, from the above observation on the division of scholarship based on their nature and coverage, we cannot assume that a greater number of scholarships for technical/professional degree course will increase accessibility to higher education for students from the disadvantaged sections. The reason is that from the above observation, it is clear that a higher percentage of scholarships are inequitable, which do not cover course fees and provide an insufficient amount for maintenance cost.

### **Conclusion:**

This paper has critically reviewed the scholarship schemes (only by central government) in India and the private expenditure of students on higher education. With the upsurge of privatization in higher education, many developed and developing nations are finding more innovative methods to provide subsidies to students from disadvantaged sections by changing their traditional way from the indirect method to the direct method of subsidization of higher education. Indirect subsidization means providing subsidies to institutes (to cover their maintenance cost) so that it will indirectly subsidize the student's course fees in higher education. Direct subsidization of higher education includes scholarship, grant in aid and financial assistance that give subsidy directly to the students (to cover their private expenditure). To evaluate the accessibility and coverage of direct aid provided by the government through scholarship, we have analyzed the 24-scholarships provided by the central government on the basis of their coverage of the disadvantaged groups and the required amount to cover the private expenditure of the students in higher education.

Even after the seven decades of having reservation in India, we are still not able to achieve equality for SC and ST category students in higher education. The Gross enrollment ratio of students from SC and ST category is 23.05 and 17.18 per cent respectively, which is less in

comparison to all other categories. This clearly shows that higher education in India is exclusive in nature, which is accessible by the few. The scholarship in India is also exclusive in nature. It was observed above that only 12.5 per cent of scholarships are mean based and only 33 per cent are especially for the disadvantaged sections (SC, ST and Minorities). Therefore, if we want to increase enrollment of students from disadvantaged sections in higher education policymakers should increase the number of means-based scholarship.

While analyzing student's private expenditure on higher education, it is observed that the course fee of the private unaided institutes is 100 per cent more than the government institute and maintenance cost is almost 48 per cent higher in the private institution. However, after 1991, with increasing privatization in higher education, the capacity to pay course fee decides the future of many students belonging to the disadvantage sections.

The private expenditure of students is more on course fees than maintenance cost. As observed above— the private expenditure of student on course fees is more than 50 per cent in the general degree course and 70 per cent in the technical/professional degree. However, 13 out of 24 scholarship only cover the maintenance cost of the students and 11 out of 24 scholarship cover both (course fees and maintenance cost). It means that the policymaker fails to recognize that student's maximum expenditure is on course fees as none of the scholarships are designed in the way that it covers only course fee. The scholarship amount should at least cover 50 to 70 per cent of student's private expenditure so that a student from a deprived background can continue their education.

The average private expenditure on maintenance cost per student is ₹7,462 for general and ₹17,452 for technical/professional degree course. 71 per cent of the scholarships give less than 5,000 as maintenance amount. It means the government completely failed to cover even less than 50 per cent of student's private expenditure on higher education. The Policymakers need to revise the amount of scholarship for maintenance cost every 4-5 years such that the student who gets/avails the scholarship does not have to think twice about continuing their education.

Besides that, the private expenditure of the students in all other components (books, stationery, uniform, transport, and other expenditure) shows increasing trend from the government to private institution except private coaching. This analyzes shows that a decline in public expenditure on higher education and an increasing number of students deteriorate the quality of government institution as there is an inverse relationship between the course fees and private coaching.

It has also been observed that there is a huge difference between the private expenditure of a student on general and technical/professional degree courses. The private expenditure on technical/professional degree course is more than a hundred per cent than the general degree course. So, the student decision for opting technical/professional degree course is based on their economic well-being. However, 10 out of the central government 24 scholarships are especially for technical/professional degree courses and 10 out of the 24 are for both (general and technical degree course). Central government has enough number of scholarships for technical/professional degree courses but the amount provided by these scholarships is not sufficient to survive in higher education.

The scholarship provided by the central government fails to recognize that the highest expenditure made by students is on course fees and that the scholarship amount is not sufficient to cover the maintenance cost of the student in higher education. There is a crucial need for the government to revise the amount and coverage of the scheme. There is a lack of analysis on the coverage of the scholarship schemes in terms of the student's private expenditure and the enrollment of the disadvantaged sections in higher education due to data constraints. First, there is a lack of data on the percentage share of various categories. Second, there are only two studies on the evaluation of scholarship, which give us some data points on the advantage of scholarship schemes on the deprived sections. In a way, these limitations are an opportunity to make improvements in the database for deeper analysis of the scholarship coverage on student's private expenditure and an increase in enrollment in higher education in the future.

## Appendix

The Central government scholarship schemes used for the study are:

1. Central Sector Scheme of Scholarship for College and University Students
2. Special Scholarship Scheme for J&K
3. Scholarship to students in non-Hindi-Speaking states for post-matric studies in Hindi
4. Post Matric Scholarship Scheme for Minority
5. Merit Cum Means Scholarship for Professional and Technical Course
6. Post Matric Scholarship for Students with Disability
7. Top Class Education Scheme for SC's Student.
8. Scholarship for top-class students with Disability
9. Financial Assistance for Education of the Wards Beedi/Cine/IOMC/LSDM Workers
10. Prime Minister's scholarship scheme for wards of states/uts police personnel martyred during terror/Naxal attacks
11. National Fellowship and Scholarship for Higher Education of ST Students - Scholarship (Formally Top-Class Education for Schedule Tribe Students) - only for scholarships
12. Prime Minister's Scholarship Scheme for Central Armed Police Forces and Assam Rifles
13. Prime Minister's Scholarship Scheme For RPF/RPSF
14. Kishore Vaigyanik Protsahan Yojana
15. Prime Minister Scholarship Scheme
16. Merit-Based Scholarship for air force personnel
17. National Talent Search Exam
18. Ishan Uday Special Scheme for NER
19. PG Indira Gandhi Scholarship for Single Girl Child
20. PG Scholarship for University Rank Holder- Merit Based
21. PG Scholarship for Professional Studies for SC/ST
22. Shaksham Scholarship Scheme
23. PG Scholarship (GATE/GPAT)
24. Pragati

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