



# Rising Debt of State-run Universities in Haryana

## Why in News?

The former Haryana finance minister plans to launch a campaign highlighting the **rising debt** of **state-run universities** after the government replaced **grant-in-aid with loans**.

## Key Points

- **Rising University Debt:**
  - The **22 state universities in Haryana** have accumulated a **debt of ₹6,625.82 crore** due to shift in grant-in-aid policy with loan.
  - The rising debt could impact **research, teaching, and even the survival of universities**.
- **Government's Justification:**
  - The state government maintains that the funds are provided under the scheme "**non-recoverable financial assistance in the form of interest-free perpetual loans.**"
  - Officials argue that **grant-in-aid counts as revenue expenditure**, while **loans count as capital expenditure**, which is aimed at **building assets and generating revenue** for universities.
- **Concerns Over Self-Financing Model:**
  - Decision of giving loans instead of grant-in-aid practically means that all government universities would have to adopt a **self-financing pattern** which forces universities to increase fees, making higher education **unaffordable** for lower and middle-class students.

## Grant-in-aid

- **Grants-in-aid** are payments in the **nature of assistance, donations or contributions** made by one government to another government, body, institution or individual.
- Apart from Grants-in-aid given to the State Governments, the Union Government gives substantial funds as Grants-in-aid to other agencies, bodies and institutions.
- Similarly, the State Governments also disburse **grants-in-aid** to **agencies, bodies and institutions** such as **universities, hospitals, cooperative institutions** and others.
- The grants so released are utilized by these **agencies, bodies and institutions** for meeting day-to-day operating expenses and for **creation of capital assets**.