

**GOVERNMENT OF INDIA  
HUMAN RESOURCE DEVELOPMENT  
LOK SABHA**

UNSTARRED QUESTION NO:1592

ANSWERED ON:14.08.2013

SUBSIDY IN HIGHER EDUCATION

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**Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:**

- (a) whether lack of education and development is causing backwardness in States;
- (b) if so, the details thereof along with the reaction of the Government thereto;
- (c) whether the Government is providing subsidy in higher education and if so, the details thereof;
- (d) the percent of students availing the subsidy in higher education compared to primary and secondary education in the country; and
- (e) the steps taken/being taken by the Government to relax the norms so that the maximum number of students can avail the benefits of subsidy?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT (DR. SHASHI THAROOR)

(a) & (b): Education, or the lack of it, certainly is a key indicator of backwardness of any State. However, all the states in the country are witnessing a steady rise in Gross Enrolment Ratio (GER) as indicated by the figures for growth of GER. The GER in higher education has risen from 15% in 2007-08 to 18.8% in 2010-11.

(c): Yes, Madam. The Central Government has introduced a Central Scheme to provide Interest Subsidy for the period of moratorium of Educational Loans taken by students from Economically Weaker Sections (i.e. whose annual family income is below Rs.4.5 lakhs) from scheduled banks under the Educational Loan Scheme of the Indian Banks' Association (IBA) to pursue technical/professional education studies in India.

(d): As per the University Grants Commission (UGC), the enrolment of students in various courses at all levels in universities and colleges and other institutions of higher education for the year 2011-2012 was 203.27 lakhs (provisional). The number of students, who have benefited under the interest subsidy scheme so far, is over 25 lakhs. Thus, approximately 12.5% of the students in higher education have availed of the benefit under the scheme.

The Central Government does not provide any interest subsidy on primary and secondary education.

(e) The Central Government has taken the following steps so that the maximum number of students can avail the benefits of the subsidy:

- (i) State Governments have been required to declare designated authorities for the purpose of issuing the family income certificate;
- (ii) The subsidy scheme has been extended to all the banks coming under the Second Schedule of the Reserve Bank of India Act, 1934; and
- (iii) The IBA has recently issued a revised Model Educational Loan Scheme permitting banks to consider meritorious students eligible for loans under this scheme even if the student chooses to pursue a course under the Management Quota of private institutions.