

Challenges before Indian Higher Education: An Administrative Vision

Suthar C.R.* , Joshi R.C.**

In India, it seems to be a case of one step forward and two steps back. While the government has introduced various bills in the Parliament, each of these seems to be stuck at various levels. Bills, such as National Commission for Higher Education and Research, National Accreditation Regulatory Authority for Higher Educational Institutions, and Foreign Educational Institutions, if passed can bring much needed structural changes. There is an urgent need to debate these bills and ensure that they are passed. Most importantly, a change in mindset is required. Perhaps, time has come to remove the stigma associated with profits in the education sector so that legitimate private enterprises can have access to capital and set up world-class institutions that the country needs so badly. A lot of debate has taken place on 'affiliation', 'accountability', 'autonomy', and so on. Everyone seems to agree that a radical overhaul of the higher education system is much needed. Time has now come to walk the talk. Or else India's youth will be left behind in the global race.

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Access

Presently the 15-35 years age bracket has a population of more than 350 million, which is expected to peak at about 485 million in 2030 (Altbach and Jayaram 2010). Providing affordable, good quality, globally relevant higher education to such huge numbers remains one of the biggest problems facing this nation. Unless it is able to get its act together and put in place a wide range of mechanisms, India will be staring at a tsunami of young people approaching higher education and the system will not have the capacity to meet the demand. Such a situation, in the words of Narendra Jadhav, member of Planning Commission of India, would lead to a 'demographic disaster, just adding mouths to feed, not hands that can work' (this statement was made at a Penn State University meeting, Lane and Kinser 2011).

Equity

Making matters worse, there is a wide disparity in higher education Gross Enrolment Ratios (GERs) across states, urban and rural areas, gender, and communities. According to Ernst & Young-FICCI (2011), the GER in urban areas is 23.8 per cent while in rural areas it is a poor 7.5 per cent. Delhi has a

GER of 31.9 per cent whereas Assam lags behind at 8.3 per cent. India is already reeling under the rich-poor and rural-urban divide. Education can perhaps be the best tool to bridge the gap between the haves and the have-nots.

Yet, as these statistics show, there are glaring inequalities in access to education which only further accentuates the divisions in the society.

Quality

Reports put out by National Assessment and Accreditation Council (NAAC) have time and again emphasised that most of the higher education institutions face an acute problem in terms of shortage of academic and physical infrastructure. Lack of innovation, redundant curriculum, an over-emphasis on theory, less importance to research and social sciences, demotivated teachers and researchers, and no quality monitoring in the education system are prime reasons for such a dismal state of affairs. Hence, it was not at all surprising when a National Association of Software and Services Companies (NASSCOM)-McKinsey Report (2005) found out that a mere 25 per cent of technical and 10 per cent of non-technical graduates are actually employable.

The fact that most companies have to spend huge amounts of time and money training fresh graduates can be seen as an indicator of the skill-set gap between what industry wants and quality of output emerging from the higher education institutions. All these years, governments have focused primarily on capacity-building. The NPE document, perhaps acknowledging the fact that quality of existing institutions

*Prof. C.R. Suthar, Department of Public Administration, UCSSH, Mohanlal Sukhadia University, Udaipur (Raj.)

**Ramesh C. Joshi, Research Scholar, Department of Public Administration, UCSSH, Mohanlal Sukhadia University, Udaipur (Raj.)

needs to be focused upon in a greater way, proposes that 'in the near future, the main emphasis will be on the consolidation of, and expansion of facilities in, the existing institutions' (NCERT 1986: 18).

Indian higher education unquestionably faces huge challenges. While on one hand there is a need to bring as many young people as possible into the higher education fold, on the other it is required to significantly focus on building quality and global competitiveness. Quality of education has a wide-ranging impact on employability and labour productivity. According to official data, India's labour force, which was 472 million in 2006, is expected to be around 653 million in 2031 (Altbach and Jayaram 2010).

India's growth story is primarily driven by its services sector which in turn derives strength from skilled labour force. Unless the country has a nimble-footed dynamic higher education system, it faces the danger of losing its competitive advantage not just to China and Brazil but also smaller nations such as Philippines and Malaysia.

Government Has Limitations

The government cannot provide all the solutions to India's higher education challenges. India's public expenditure on higher education as a percentage of Gross Domestic Product (GDP) is 0.6 per cent (Ernst & Young-FICCI 2009), which is less than what other nations such as United States (US), United Kingdom (UK) and China spend on a per-student basis. Most of the public expenditure on higher education is used up on salaries and maintenance of existing institutions. Majority of central government's spending on higher education is allocated to the University Grants Commission (UGC) (around 40 per cent), which in turn assists colleges, mainly in the form of grants for their maintenance and development. Very little is spent on curriculum, research and technology. Only a few institutions, such as Indian Institutes of Technology (IITs) and Indian Institutes of Management (IIMs), stand as beacons of excellence amidst a sea of mediocrity. Entrance to these institutions is characterised by a mad rush leading to extreme stress among the aspirants.

According to Tilak (1997), the recent trends in financing of higher education in India are indeed disturbing. Quite a few important proposals are being made in this context by national governments and international organizations. International experience will be of considerable importance in formulating new policies.

Increasing Privatisation of Higher Education

Over last two decades, a rapidly growing Indian economy has led to a huge demand for an educated and skilled labour force. To meet the manpower needs of a dynamic economy, not surprisingly, private enterprises have cropped up to complement public educational institutions, plagued as they are by capacity constraints. In fact, over the past few decades, it has been the private sector that has really driven capacity-

creation in Indian higher education. Private presence in higher education got a fillip starting the mid-1980s, coinciding with the reducing investment by Government of India (GoI) and the states. In 2001, when private unaided institutes made up 42.6 per cent of all higher education institutes, 32.8 per cent of Indian students studied there. By 2006, the share of private institutes went up to 63.2 per cent and their student share went up to 51.5 per cent. Privatisation of higher education is especially noticeable in higher education professional courses such as engineering and Master of Business Administration (MBA), where majority of the institutions offering such programmes have been established by the private sector. So much so, the share of private institutes in the field of pharmacy and engineering is more than 90 per cent. These statistics show that private education players are the norm rather than exception and that privatisation of higher education is now an irreversible trend in India. Critics who argue that education is a social good and should remain exclusively in the hands of the government will find it hard to disagree that given the scale and complexity of Indian higher education challenges, the government on its own cannot single-handedly tackle all the issues.

This is not to say that privatisation is the panacea to all of India's higher education problems. In fact, this phenomenon has brought about its own set of issues and challenges. Yet, the fact that India has a burgeoning youth population that sees education as a ticket to prosperity, coupled with declining education spending by the government, translates into a great demand for private higher education.

Privatisation of Higher Education Remains A Complicated Story

Despite the huge demand for higher education, especially professional education, Manipal Global Education (MaGE) Services has taken a conscious decision to eschew going down the traditional brick and mortar campus model followed in India. Instead they have decided to focus on building an education services business here. This business presently spans almost the entire education services ecosystem ranging from university services to assessments, placements and vocational training. It may puzzle many as to why MaGE as a corporate entity is not setting up educational campuses in India, in spite of the fact that the company promoters have the distinction of having set up one of the first and finest private universities in the country Manipal University. Answers to this conundrum would become easier to understand once the nature of privatisation happening in Indian higher education sector is examined. What is being witnessed is, to a large extent, ad hoc privatisation myriad institutes continuing to come up without, perhaps, adequate checks and balances. Definitely, the burgeoning privatisation has reduced pressure on public colleges, but even their most ardent supporters will find it hard to claim that private institutions have brought about great improvements in curriculum, teaching methodology, research and development, and learning outcomes. This is not

surprising considering the fact that higher education still remains one of the most tightly regulated sectors in the economy. Privatisation in higher education is a convoluted story with some arguing that Indian higher education has moved from 'half-baked socialism to half-baked capitalism' (Kapur and Mehta 2004).

The role played by private enterprise in transforming sectors, such as Information Technology and Information Technology Enabled Services (IT and ITES), telecom, banking, etc., is evident. Today, IT's growth story has put India on the global economic map. These sectors are shining examples of the progress that can be made when private enterprise is allowed to function in a free and encouraging manner. Unfortunately, the higher education operating environment provides certain challenges which dissuade serious players from entering the field. In the following sections, issues that need to be resolved for a dynamic, thriving private enterprise in higher education have been highlighted.

Gupta (2008) conduct an in-depth study of international trends in private higher education and focus on the Indian scenario. The methodology adopted is conceptual, analytical and comparative. Author attempts to highlight the political-economic, socio-cultural, national-international, ethical-philosophical and legal-practical aspects of this outreaching theme, in general, and focus on the driving forces, causes, and consequences of the emergence of the private higher education during the last three decades, in particular.

Not-for-profit Structure

A higher education institution in India can only be set up by a Trust or a Society. Policy-makers are opposed to setting up of higher educational institutions as for-profit corporate entities, ostensibly because education is a public good and hence should be outside the purview of commerce. As observed earlier, all policies by Ministry of Human Resource Development (MHRD) are based on NPE of 1986. Given the socialist structure of the polity, NPE 1986 has strong underpinnings of social good; not surprisingly, profit-making is a strict no.

However, many of India's colleges and universities — both private and public — face acute shortages of faculty, ill-equipped libraries, outdated curricula, and poor infrastructure. Building a good educational institution requires great physical and soft infrastructure, i.e., infrastructure, faculty and research. In an era of soaring market-driven salaries in other sectors, how can there be hope to attract and retain talent if competitive compensation is not paid? All these require great deal of financial resources. Soaring land rates make it even more difficult to recoup investments. Hence, it is imperative that educational enterprises have access to fungible capital, which becomes well-nigh impossible given the 'Not-For-Profit' structure of the sector. The need of the hour is to make every possible effort to attract serious players with institutional funding who can enter the sector and build

transparent and high-quality institutions.

No doubt the intentions behind having a 'Not-For-Profit' structure might be noble, yet the question one needs to ask is whether this is serving the desired purpose. The fact, that everybody including law-makers know but fail to acknowledge, is that commercialisation of education can happen even in educational bodies set up by a Society or a Trust. In addition, it is now 26 years since NPE was written in 1986 (the previous version was in 1968), and a lot has happened in these two and a half decades. NPE is due for a thorough overhaul, including actively considering allowing for-profit entities. The visceral dislike by some policymakers and bureaucrats towards for-profit education needs to be addressed and allayed.

The government must not equate 'profiteering' with the 'for-profit' legal structure of an organisation to deliver education. On the contrary, it may actually be better for it to allow legitimate profits in higher education and derive revenues from service tax on tuition incomes and income tax on surpluses made by the institutions. The income made from these corporate education entities can then be ploughed back into education. As it is, the government is applying an 'education cess' on everybody.

The for-profit motive will also allow fungible capital to move into the higher education space to create different models for different needs. The present structure in fact dissuades serious entrepreneurs from putting their equity into this sector. This means, the only recourse is debt which increases pressure and in a way creates entry barriers. On the other hand, there are enough loopholes that allow rampant profiteering to take place. It is indeed ironical that all the regulations have not really managed to keep out players who view education merely as a business with potential high returns. Nobody is surprised when confronted by facts such as many of the private universities and colleges are run by the dubious section of the political class in this country. Question is, instead of making it mandatory for an educational institute to be set up as a Trust or a Society only, why cannot alternate models be allowed? These could be borrowed from the corporate sector. Just as all companies are required by law to publish annual reports providing their financial details — specifying their assets, liabilities, profits and losses, the profiles of the board of directors and the management, and various other financial information—every educational institution (whether public or private) should publish such reports at regular intervals, with details of the infrastructure and facilities available, profiles of the trustees and the administrators, the academic qualifications and experience of the staff, the courses offered, the number of students, the results of the examinations, the amount of funds available to the university and the sources of funding, and so on. In addition, every educational institution must get itself rated by an independent and specialised accreditation agency, such as Credit Rating Information Services of India

Limited (CRISIL), Internet Content Rating Association (ICRA) or Child and Adolescent Resources and Education (CARE), and publicly announce its rating to prospective students to enable them to choose the institution they want to enrol in.

At one stroke, this will bring in transparency and ensure that every educational institution, whether public or private, is accountable not only to those students who are studying in the institution, but to prospective students and the public at large. Public announcements of the financial and educational records of the institutions as well as their ratings by independent rating agencies will generate healthy competition between the various institutions. In fact, a public company/corporate entity is a lot more accountable to the many constituencies it serves as against a Trust. Whatever is the regime there should be accountability, which is presently not there in the case of Trusts.

It is somewhat gratifying to note that the 12th Five-Year Plan document of the Planning Commission clearly moves the focus from exclusive attention to building capacity, to a more nuanced thrust which puts quality right up front. This change will allow granular movement of the very best of Indian higher education entities — both public and private — to start aligning themselves with global standards over a period of time, while creating clear pressures at multiple levels for institutions to improve continuously. The plan document is only an announcement of intent (besides its primary role of being the funds allotment plan for the government), policy changes — including allowing for-profit ventures in a gradual fashion perhaps — will have to be brought in to effect true transformation.

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