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Can Higher Education in India Break From Its Past?

By Pawan Agarwal

Higher education in India has moved from being the government's peripheral interest to its key priority. Policy makers are vigorously debating higher-education issues, and the country's latest five-year plan, for 2007 to 2012, has offered a ninefold increase in government appropriations—along with proposals for many new colleges and universities.

Over the past decade, as the country's largely agrarian economy has transformed into an urban manufacturing and service economy, demand for qualified workers has grown significantly. The system has failed to meet that demand, and several sectors of the economy have faced skill shortages. As a result, the country's economic planners, who earlier had been disinclined to invest in higher education, have started to give it wide-ranging support.

But as the nation gets down to carrying out some of the new proposals, Indian higher education faces several endemic structural roadblocks. It remains to be seen whether it can break from its past.

Much like the country itself, Indian higher education is huge, complex, and full of contradictions. In absolute terms, college enrollment, at around 12.8-million people, is the third largest in the world—next only to China and the United States. But the country is able to accommodate only a little more than 12 percent of the eligible students. Female participation rates are even lower, and large regional imbalances and wide disparities among various socioeconomic groups persist. Also, while the number of institutions is large, about 22,500, each institution has an average of only 600 students. That makes many of them unviable, not only financially but academically because they lack a critical mass of scholars.

Indeed, with the exception of the Indian Institutes of Technology, Indian Institutes of Management, and a few reputed college and universities, public institutions are in bad shape.

Higher-education governance is too centralized and burdensome, and there has been no demand for accountability. Nor has the public system faced any competitive pressures to improve—until recently, with the strong growth of private higher education.

Today, in certain high-level vocational disciplines—engineering, medicine, management, nursing, and teacher education—more than four-fifths of the enrollments are in private institutions. However, such operations are not necessarily aboveboard. Recently the news media reported that private providers were charging huge sums of money for medical-college admissions, and private institutions allegedly bribed senior officials for obtaining approvals. The government has put in place a system of multilayered regulatory oversight of private institutions, but it has several loopholes. And the current voluntary accreditation has no enforcement and is thus ineffective.

Vocational education and training that caters to lower-level skills is limited and of poor quality and low prestige. Moreover, there are no pathways to move from it to higher education. Otherwise, most of the professional education in the country is confined to narrowly specialized institutions, which offer few, if any, liberal-arts components in their curricula. That means India could face a future where the work force may be reasonably well trained but is narrow in its outlook.

The thrust of the government's five-year plan is rightly on expansion. With growing numbers of young people, gains in elementary and secondary education, rising prosperity, and mounting aspirations, demand for higher education has grown rapidly and is destined to increase further.

But India's progress in creating new world-class universities and institutes of information technology has been slow. Efforts to establish 374 new colleges in educationally backward districts, and to encourage the state governments to make investments in new institutions and improve infrastructure and facilities in existing ones, have not taken off because of lack of preparation and planning.

Thus, while the increase in government appropriations from \$2-billion to \$18-billion in the new five-year plan is historic, only about 11 percent of the money has actually been spent, according to government reports. Further, the money is primarily meant to create new infrastructure and facilities, not to meet the operating expenses that burden many institutions. In addition, only a small part of the increased financial outlay is for colleges and universities under the control and financing of the state governments—which enroll as many as 95 percent of the students in public institutions.

In fact, government support continues to be scarce and spread unevenly. As a result, most institutions face financial hardships and have raised fees, particularly for professional programs. That has made higher education expensive because only a small number of students have access to student loans.

The new higher-education minister has begun regulatory and governance reforms that include establishing an autonomous overarching authority for higher education and research, putting a system in place to prevent and punish educational malpractices, creating mandatory assessment and accreditation practices, and setting up education tribunals for fast-track adjudication of disputes. Hurriedly put together, each of those reforms must be established through separate laws, and are thus inconsistent with the government's claimed desire for a unified approach.

Other proposed academic reforms include introducing a "choice-based" credit system and regularly updating syllabi. Currently, students have little choice in India: They go through a fixed common curriculum that is usually not revised for decades. A new credit system would break the curriculum into small units and allow students to choose from various courses that would be revised regularly. But while those are crucial changes, they have been talked about for more than two decades and, as in the past, would face stiff opposition from the strongly unionized faculty.

Ultimately, the five-year plan and the new government's proposed laws do not provide a sound framework for the structural reforms that are needed. What should be done instead to improve the situation? Government policies should concentrate on improving quality as well as expansion, or the money spent will be wasted. To deal with the quality challenge, accreditation must be accorded a central role and have strong consequences. Linking accreditation with a government-supported student-aid program as practiced in America holds great promise. Motivating institutions by linking their performance to government support is also crucial.

In fact, perhaps the most important change, especially for elite universities, is that of the government's mind-set. The national government has tended to usurp greater power and responsibility for itself, rather than allow state governments to innovate and compete with one another. Unfortunately, rather than a state-governance model that grants institutions greater freedom in exchange for greater accountability, there is tighter government control. Regulation has become more centralized in recent years, yet it continues to be burdensome.

Institutional and academic structures must also change. Smaller and unviable institutions should be clustered, consolidated, or merged. In addition, the superficial distinction between general higher education and professional education, reinforced by government policies, is not conducive

to providing broad-based education to produce employable graduates. India needs to build new pathways between vocational education and higher education. Liberal-arts education should be embedded in the curricula of professional studies.

Finally, trends suggest that much of the increased access to higher education would come from private efforts, so India needs clearly enunciated policy to encourage private institutions by creating a fair, transparent, and less-burdensome regulatory regime for them. Private institutions are crucial not only for growth, but also for innovation in the system.

What does this all mean for American institutions that have expressed interest in establishing their own operations in India? A foreign-educational-institutions bill that has been under consideration for over three years now has been resurrected. The minister of education has requested that foreign institutions be able to set their own fees and not have to abide by the affirmative-action quotas now in force. But despite several revisions in the draft bill, the fate of the legislation is still unclear.

Under the circumstances, American universities may still want to take a "wait and see" approach. Opportunities for partnerships should increase as higher education receives greater priority in India. It would be useful, however, for American institutions to negotiate those partnerships with individual institutions or various state governments, rather than look for clear policy any time soon at the national level.

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