

Epilogue

There is nothing more difficult to carry out, nor more doubtful of success, nor more dangerous to handle, than to initiate a new order of things.

– Niccolo Machiavelli

THIS book describes the higher education landscape in India, identifying gaps and needs, and based on the lessons learnt from the experiences of other countries, the book provides perspectives to shape its future. The framework in the book enables clear understanding of the complexity of the system. The book looks at Indian higher education in a holistic manner and adopts a comparative approach for analysis. While reviewing various facets of the Indian higher education, the book adopts a systems approach to achieve coherence and multi-level coordination required to address its genuine concerns on a long-term basis. Changes in higher education are related to the transformation taking place in the economy, the demography and the society. Small order behavioural changes at the micro level are connected to the changes at the macro level. These are shaping the realities of Indian society, economy and the Indian higher education.

As India is a land of oddities, puzzles and paradoxes, so is its higher education system. Indian higher education is complex, with many contradictions. Instead of coming to an understanding of this complexity by actual data and research, policy is often based on the impressions of a few people. In this book, therefore, there is a deliberate focus on data in analysis. It is hoped that good data will sieve reality from myth and allow informed decision making. However, quantification is not always possible and perceptions play an important role, thus the discussions in the book also take into account common perceptions.

Despite its weaknesses, the country's recent visibility in the knowledge sector has created a distinct brand of Indian higher education. Indian

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graduates, particularly from some of the prestigious institutions, are sought after globally. The Indian brand of higher education can be creatively used to the country's advantage. Such perception has helped the country to achieve success in some areas. Continuous reinforcement of this success, however, clouds many perceptions of reality and we tend to fall into the trap of 'persuasion-bias'. This bias continues to perpetuate and exacerbate certain fallacies and inconsistencies.

There are several such myths. The first myth is that while there is an irrational exuberance about India shining, many people see Indian higher education in very poor light. The fact, however, lies somewhere in between. India's large and comprehensive higher education has over time built a huge pool of qualified manpower, providing the country an edge in competition in global knowledge economy. There is now the need to build in more diversity, provide greater flexibility and widen student choice. Second, it is often believed that elite institutions like the IITs are the backbone of the Indian higher education. It needs to be understood that these institutions contribute only a tiny fraction (less than half a per cent) of the overall pool of qualified manpower, even though their strict admission procedures have set in motion a competitive process with large positive spillovers.

Three, private higher education is treated as peripheral, though it is already the most dynamic and growing sector of Indian higher education. In professional areas, private institutions constitute four-fifths of the number of institutions and enrolment. The belief that the current policy and regulatory framework does not permit private participation is wrong. Had this been the case, professional, technical and medical education would not have been dominated by private players. In fact there are several ways in which the current system provides for private participation. Affiliated colleges and institutes could either be privately run government aided colleges or the self-financing private colleges. Private universities can be set up through deemed university route or there could be private universities under separate state legislations. Despite entry barriers, private investment over the past five years has been about five times that of public investment. Unpredictable and non-transparent regulatory environment however prevents more investment and is the main cause of declining academic standards.

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Four, it believed that private and independent accreditation would improve academic standards. While the fact is that the key to effective accreditation would be to have clear and tangible consequences for accreditation. Neither private nor independent accreditation without consequences would serve any purpose. Five, the fee levels in public institutions are believed to be ridiculously low, even though in reality, faced with financial limitations, most public institutions have raised fees substantially, at least for professional courses—with the exception of central universities and universities in Bihar and Uttar Pradesh.

Six, it is felt that the problem of skill shortages in the country can be effectively addressed by increasing enrolments in higher education. The country aspires to increase enrolments significantly to reach the levels of enrolment in advanced countries or emerging economies on a medium-term basis. Specifically, it is targeted to increase enrolment to 15 per cent (from the current 11 per cent) by 2012. This goal is desirable and even needed to meet growing demand for higher education with rising prosperity and improvements in school education. But, from the labour market point of view, current enrolment levels by and large adequate and match the country's occupational structure. Having more graduates of the same type would accentuate problem of graduate unemployment and underemployment. There is a greater need for manpower with diverse skills. The skill shortages are at the low end, where graduate skills are not required, or where the need is of blue collar skilled workers. People fail to distinguish between the general situation and specific, narrow, local needs. As a result, there is a widespread misperception about general skill shortages and higher education expansion addressing that problem.

Seven, it is believed that increased public spending would automatically result in better higher education. In term of percentage of GDP, estimated at 1 per cent (with almost the same contributed through private finance), level of spending on higher education is not low. In fact, relative effort expressed in terms of per student expenditure as a proportion of per capita GDP at 95 per cent is one of the highest in the world. However, in absolute terms and on per student basis, funding levels are very low. While the increased funding in the Eleventh Five Year Plan may help a small number of institutions under the national government, the bulk of the system under the state government would

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continue to face financial hardships, particularly to meet recurrent expenses. Rationalisation of the fee structure is thus important. This should however be accompanied with liberal student financial aid. This could be grants, but largely loans with income contingent repayments as increasingly used in countries around the world for student loans. This would make higher education free at the point of use. In the interest of efficiency, public funding should be performance-based to promote both equity and excellence.

Seven, it is commonly understood that the lack of academic autonomy prevents universities from changing curriculum. The fact is that all universities have total autonomy in academic matters. However, there are little or no incentives for the teaching community in the universities to keep their curriculum up-to-date. In many cases, the number of teachers in each faculty is small and their capacity is limited to be able to do so. There is a need to improve ability (autonomy) of institutions and put pressure on them to perform (accountability) including change of curriculum.

And, finally, it is seen that the existing regulatory bodies—UGC, AICTE, and so on—have failed to maintain standards. Thus, a new regulatory body is being considered. The fact however is that instead of a new regulatory body, a new way of regulating higher education that promotes both autonomy and accountability and fosters private investment is required. As the continuation of the UGC is an ‘anachronism’ today, so would be the setting up of the IRAHE. Such central structures to govern a complex and increasingly diversified system would serve little purpose. The entire regulatory arrangement has to be overhauled keeping in mind the increasing professionalisation of various occupations. Rather than a single agency, multiple agencies would be required, each with clearly defined role and some kind of tribunal to resolve disputes between them. Public funding arrangements have to be divorced from the new regulatory framework.

Public policy for higher education in India faces the dilemma of the legitimacy of ever-widening ends and reality of limited resources. There is not only the demand for more opportunities for higher education, but also greater diversity, not in just subject range, but in terms of institutional arrangements as well as how subjects are taught and the research

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is done. Equity and quality must not be seen as two independent and conflicting objectives. These should be seen as complementary. In all, the change in the higher education system requires a paradigm shift in our thinking.

A fundamental problem faced by Indian higher education is that public policy assumes that all institutions are homogeneous and therefore treats them equally and regards all programmes as equal, while large system of higher education as India has is incompatible with this model of higher education. In reality, Indian higher education is heterogeneous and need to regard this heterogeneity as proper. Policy needs encourage diversity, varied forms of provision and quality comparisons between them. Even public funding policy needs to support a diverse and decentralised system. Issues of social cohesion are of paramount importance at the school level, but in higher education, there is brutal competition. Central planning in funding of diverse system or in matching the skills of graduates with their preferences and the demands of the labour market would not serve the purpose in a very dynamic situation today. Market forces can do a better job.

Recognising the fact above, the Indian Prime Minister Dr Manmohan Singh said in his Civil Services Day Speech on 21 April 2006:

Public policies are often not based on long-term concerns. These do not carefully weigh the trade off between seemingly contradictory goals and ignore that the markets are now the main arbitrators of resource allocation. The role of the government is to create an open environment and more demanding standards of transparency and accountability so that the markets function efficiently. The government has to strike a delicate balance between growth and an equitable and inclusive development taking into account the forces of globalization and the prevailing socio-economic realities.

The government has to play a steering role in higher education that focuses on policy outcomes and tries to structure the market to realize those outcomes are met.

Based on the arguments above, the book has several suggestions to shape the future of Indian higher education. However, without going into the nitty-gritty of each of them, an attempt has been made to

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define the options and solutions at a level of detail that underscores the practicality of each suggestion and more importantly provides a broad direction for change. The country has a unique opportunity to convert demographic surplus to its economic strength. This would require the creation of a competitive environment in higher education that ensures both public and private institutions develop and become more responsive and innovative. This may require radical change and comprehensive reforms. However, considering the nature of Indian polity and society, strategic intervention with an incremental approach would be the best way forward.

