

Introduction

Education is an ornament in prosperity and a refuge in adversity.

— Aristotle

INDIA has seen a consistently high rate of economic growth in the recent years. It has now become a major player in the global knowledge economy. Skill-based activities have made significant contribution to this growth. Such activities depend on the large pool of qualified manpower that is fed by its large higher education system. It is now widely accepted that higher education has been critical to India's emergence in the global knowledge economy. Yet, it is believed that a crisis is plaguing the Indian higher education system. While, the National Knowledge Commission (NKC) set up by the Prime Minister calls it a 'quiet crisis', the Human Resource Minister calls higher education 'a sick child'. Industries routinely point towards huge skill shortages and are of the opinion that growth momentum may not be sustained unless the problem of skill shortages is addressed.

There appear to be endless problems with the Indian higher education system. The higher education system produces graduates that are unemployable, though there are mounting skill shortages in a number of sectors. The standards of academic research are low and declining. An unwieldy affiliating system, inflexible academic structure, uneven capacity across subjects, eroding autonomy of academic institutions, low level of public funding, archaic and dysfunctional regulatory environment are some of its many problems. Finally, it is widely held that it suffers from several systemic deficiencies and is driven by populism, and in the absence of reliable data, there is little informed public debate.

More than 35 years ago, Nobel laureate Amartya Sen, while analysing the crisis in Indian education, rather than attributing the crisis in Indian education to administrative neglect or to thoughtless action, pointed

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out that the ‘grave failures in policy-making in the field of education require the analysis of the characteristics of the economic and social forces operating in India, and response of public policy to these forces’ (Amartya Sen, ‘The Crisis in Indian education’, Lal Bahadur Shastri Memorial Lectures, 10–11 March 1970). He emphasised that ‘due to the government’s tendency to formulate educational policies based on public pressure, often wrong policies are pursued.’ Unfortunately, it is believed that policy-making suffers from similar failure even today. Rather than pragmatism, it is populism, ideology and vested interests that drive policy. It seeks to achieve arbitrarily set goals that are often elusive and, more than that, pursued half-heartedly.

Worldwide higher education reforms

The emergence of a global economy due to increased trade, investment and mobility of people and, more recently, work across borders has forced nation states to adapt their systems of higher education to the changed global realities. Rather than continuing with their inward looking policies, several countries are reshaping their systems of higher education for making them globally competitive. Pragmatism rather than ideology is driving this change. The United States of America has major plans for investment in higher education. The United Kingdom has injected new dynamism in the higher education sector through competition and incentives. China has undertaken a package of comprehensive reforms in higher education for over the past two decades. The government in China has declared education, science and technology to be the strategic driving forces of sustainable economic growth. Pakistan has embarked upon wide-ranging systemic reforms.

Despite the fact that the United States has the finest system of higher education in the world, it had set up a commission to examine the future of higher education in September 2005, with a mandate to ensure that America remains the world’s leader in higher education and innovation.¹ While the report of the commission has been received and is being processed for implementation, the US government has already committed to invest USD134 billion in higher education over the next 10 years. In the United Kingdom, where higher education is primarily

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in the public sector, faced with problems of deteriorating standards due to inadequate funding and failing accountability, several innovations in financing, such as performance-based funding for teaching and research and portable students' aid, and so on, were introduced over the past decade. This helped the UK higher education system to become one of the best systems of higher education in the world again. In a highly sensitive and bold decision, the UK government has now allowed the universities to compete for students and charge variable fees, bringing an end to the regulated fee regime in the UK (DfES, 2003).

Higher education reforms in China were initiated along with wider economic reforms to become a market economy in the year 1978. Prior to that, higher education was in the public sector. There was no tuition fee. The government even took care of living expenses of the students. Since then, the system of higher education has radically changed. The concept of cost-sharing and cost recovery was introduced in the early years of reforms. Tuition fees have now been made compulsory. The higher education institutions in China were expected to diversify their revenue sources and, therefore, allowed to have affiliated enterprises (Sanyal and Martin, 2006).

Apart from increased support from alternative sources, higher education received increased financial allocations from the government. Thus, in spite of massive expansion in enrolment, average funding per student did not go down. Through a national legislation in 2002, China proactively involved the private sector to contribute and invest in higher education. This accelerated the growth. To nurture excellence, a selective approach in funding was adopted. In 1993, special financial allocations were provided for China's top 100 institutions to upgrade them to international standards. In the year 1998, an even higher-level funding was provided to nine top universities to make them world class.

Australia initiated comprehensive reforms in higher education in 2003. Government funding was significantly enhanced along with increased provision for subsidised loans and scholarships for students. The reform package included areas as diverse as teaching, workplace productivity, governance, student financing, research, cross-sectoral collaboration and quality (Commonwealth of Australia, 2003). Apart from the advanced countries, many developing countries took up

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ambitious programmes to reform their higher education sector. It was realised that though primary and secondary education is important, it is the quality and size of the higher education system that will differentiate a dynamic economy from a marginalised one in the global knowledge-based economy.

Based on the recommendation of the Task Force for Improvement of Higher Education, neighbouring Pakistan replaced its University Grants Commission (found ineffective) by a proactive Higher Education Commission that initiated wide-ranging systemic reforms in 2002. Public funding for higher education was increased significantly from Rs 3.8 billion in 2002 to Rs 33.7 billion in 2007. To bring in a degree of transparency and accountability, recurrent funds were allocated amongst universities on the basis of a funding formula. To address faculty related issues, changes in the salary structure of academics under the tenure track system were made. Salaries of active research scholars were increased significantly. Stringent requirements for the appointment and promotion of faculty members and strict quality control of PhD programmes were put in place. The reform programmes also addressed the issue of access to quality teaching, learning and research resources (Agarwal, 2008b).

Changing Policy on Higher Education in India

From the early 20th century, there have been several high level commissions set up to provide policy orientation to the development of higher education in India. On the basis of the report of the Sadler Commission (1917-19), also referred to as the Calcutta University Commission, the Central Advisory Board of Education (CABE) was set up to define the general aims of educational policy and coordinate the work of various provinces and universities by guarding against needless duplication and overlapping in the provision of the more costly forms of education. The University Education Commission, presided over by Dr S. Radhakrishnan, in its report in 1949 recommended that university education should be placed in the Concurrent List so that there is a

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national guarantee of minimum standards of university education. The constituent assembly did not agree to it. It was much later, in 1976, that education was made a concurrent subject with the 42nd Amendment of the Constitution.

The Kothari Commission (1964–66) examined various aspects of education at all levels and gave a very comprehensive report full of insight and wisdom. This report became the basis of the National Policy on Education, 1968. With this, a common structure of education (10+2+3) was introduced and implemented by most states over a period of time. In the school curricula, in addition to laying down a common scheme of studies for boys and girls, science and mathematics were incorporated as compulsory subjects and work experience assigned a place of importance. A beginning was also made in restructuring of courses at the undergraduate level. Centres of advanced studies were set up for post-graduate education and research. Detailed estimates were made to meet requirements of educated manpower in the country.

In 1985, a comprehensive appraisal of the existing educational scene was made. This was followed by a countrywide debate. It was noted that while the achievements were impressive in themselves, the general formulations incorporated in the 1968 policy did not, however, get translated into a detailed strategy of implementation, accompanied by the assignment of specific responsibilities and financial and organisational support. It was further noted that problems of access, quality, quantity, utility and financial outlay, accumulated over the years, had assumed such massive proportions that these required to be tackled with the utmost urgency.

In the background explicated previously, the National Policy on Education (NPE), 1986 was put in place. It was noted in the preamble to the policy that education in India stood at the crossroads, and neither normal linear expansion nor the existing pace and nature of improvement of the situation would help. It was also noted that education has an acculturating role. It refines sensitivities and perceptions that contribute to national cohesion, a scientific temper and independence of mind and spirit—thus furthering the goals of socialism, secularism and democracy enshrined in our Constitution. Education develops manpower for different levels of the economy. It is also the

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substrate on which research and development flourish, being the ultimate guarantee of national self-reliance. Accepting the fact that education is a unique investment in the present and the future, a very comprehensive policy document was approved in 1986. This was supplemented with a Programme of Action (PoA) in 1992.

On review now, one sees that many of the recommendations of the NPE, 1986 read with PoA, 1992 have been only partly fulfilled. Moreover, there has been no effort to modify the previous policy prescriptions or to develop a new one. After the economic reforms were undertaken in the early 1990s, their influence on development of higher education has been ignored. With the economic reforms of the 1990s, the private sector has come to occupy a central role in the economic development of the nation. There is a need for a holistic review of the instruments currently available for managing the higher education system such as the University Grants Commission (UGC) Act, the All India Council of Technical Education (AICTE) Act, and so on, which have become outdated in the present context. In this context, it is important to develop a new national policy framework for higher education in the current and emerging contexts. Such a policy framework should not be developed by political processes, but by an independent, high-powered commission.

Recent Developments in Indian Higher Education

Higher education has received a lot of attention in India over the past few years. There are four reasons for this recent focus. First, country's weak higher education system is being blamed for skill shortages in several sectors of economy. Second, reservation quotas in higher education institutions, particularly the more reputed ones that provide access to high status and best-paid jobs became a highly divisive issue, central to the policy of inclusive growth and distributive justice, and hence politically very important. Third, in the backdrop of the first two developments, it began to be argued that the country would not be able to sustain its growth momentum and maintain competitiveness unless

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problems with higher education are fixed. Last, demand for higher education continues to outpace the supply due to growing population of young people, gains in school education, the growing middle class and their rising aspirations.

It is widely believed that technological advances and a shift in demographic provide India with a window of opportunity to productively engage its huge pool of human resources, and become a leader in both the rapidly expanding sectors of services and highly skilled manufacturing. This would, however, require revamping the higher education sector. Hence many steps have been taken to augment supply, improve quality and fix many of the problems faced by higher education. The National Knowledge Commission (NKC) that was set up to examine the higher education sector (amongst other things) made several useful and important recommendations. The Government of India has increased funding significantly during the Eleventh Five Year Plan. Many new institutions have been planned and some of them are already operational. There are many good ideas in the plan document. All these efforts, however, appear to be somewhat disconnected. Some even appear to be at cross-purposes with each other. Several suggestions appear to be merely impressionistic views of individuals, rather than being supported by data and research. Overall, these efforts do not give a sense of an integrated reform agenda for Indian higher education. And in absence of credible data and good analysis, the media continues to perpetuate and exacerbate certain fallacies and inconsistencies.

With ambiguity in defining its purpose and vagueness about its quality, debate on higher education is usually full of rhetoric. As pointed out by Kapur and Crowley, for the higher education 'sector whose main purpose is to train people with strong analytical skills, it is ironical that its own self-analysis is replete with homilies and platitudes, rather than strong evidence' (Kapur and Crowley, 2008). Institutions of higher education today are an integral organ of the state and economy. They are embedded in the history and culture of a nation and are shaped by its contemporary realities, ideologies and vested interests. India's large size, long history and diverse culture and the complicated nature of Indian polity and policy process make Indian higher education a very complex enterprise.

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This book unravels this complexity by taking up a comprehensive review of the Indian higher education system, assesses its needs, identifies gaps and provides perspectives for the future. In doing so, it takes into account several measures planned or taken and provides a glimpse of a vibrant emerging private sector. Evolving an integrated reform agenda for higher education in India (or, for that matter, anywhere in the world because of the various sensitive issues involved) with a long-term perspective is both complex and difficult, but by looking at the big picture that the book presents, one could think strategically about it.

The Plan of this Book

To intervene in complex systems like ecologies, economies, societies and nations, it is necessary to first understand how the system is put together. Thus, the first chapter of the book maps the size, structure and growth of higher education in India, both in terms of enrolment and institutions. In doing so, the book also examines trends about Indians enrolled overseas and international students in India. While analysing overall growth trends, the book notes the transition from elite to mass higher education and compares the enrolment pattern with countries around the world, and discusses the emergence of new providers and new forms of delivery.

Issues of access and equity are central to higher education in most countries around the world, particularly in democratic societies. Chapter 2 examines these issues. The chapter also examines the impact of growth in private finance on access and equity.

Higher education in the private sector has grown fast over the past two decades. This has not only increased capacity and enhanced students' choices, but also affected the dynamics of regulation. Its impact on financing arrangements has been very significant. With this in view, Chapter 3 has its focus on the growing and vibrant private sector in higher education, its growth and prospects.

Chapter 4 deals with the financing issues. It analyses the funding of higher education from both public and private resources. It also examines overall funding patterns and trends, issue of institutional funding and

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student financing (student aid and loans). Keeping the trends in mind, it offers suggestions on sustainable funding arrangements, with a particular focus on student financial aid. There is an organic link between financing and management of higher education, and thus the chapter also discusses issues relating to institutional management in the context of new public management philosophy.

Chapter 5 analyses the role of higher education in the development of workforce, to meet the domestic as well as the global demand for qualified manpower. It specifically addresses the issue of transition from education to work and the disjunction between them, which calls for specific action and the problem of skill shortages. The chapter also provides a brief outline of the vocational education and training sector. The two complement each other in skill development, and therefore a holistic treatment of the subject makes it necessary to cover this sector as well.

Chapter 6 benchmarks Indian research performance globally and then evaluates the critical role of academic research in fostering innovation. On review of its weaknesses, the chapter suggests action on several fronts.

Chapter 7 discusses the regulatory environment for higher education as it exists in India today. It identifies specific areas of concern, taking into consideration the emerging market structure for higher education and the peculiar nature of competition in higher education. The chapter proposes a new regulatory environment to address minimum regulatory concerns, taking care of information failure and facilitating coordination.

Chapter 8 analyses the progress made on accreditation in India and points out that accreditation, as it exists today, serves little purpose. Specific suggestions for changes in accreditation system have been made.

Chapter 9 examines the conclusions reached in the context of changing socio-economic and political realities and growing optimism. It analyses three conceptual issues—purpose, diversity and competition, and examines the status and prospects of Indian higher education in terms of three key cross-cutting themes—access and expansion, equity

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and inclusion, and quality and excellence. Finally, this chapter looks at the changing nature of policy support and the imperatives for systemic governance in the changed scenario.

The focus on data in this book is deliberate, in order to sieve reality from myth. Perceptions, ideology, vested interests and policy debate have not been missed either. The evolution of economic purposes of higher education has been the single most important development in the education sector in the 20th century, and it resulted in enormous expansion of higher education in countries around the world, including India. It shaped debates over equity and access, social and economic mobility, curriculum and courses, innovation and competitiveness. The emphasis in this book on the economic role of higher education reflects this contemporary reality, though civic, moral and intellectual purposes of higher education are important and will continue to be so.