

Higher Education Policy in India in Transition

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With the government's attention being riveted for decades on elementary or primary education, higher education was reduced to the role of playing second fiddle. This has suddenly changed in recent years. Alongside, neo-liberal economic reforms have seen an expansion in the role of the private sector in education. Many of the recent initiatives in policy reforms mark a transition in the history of higher education in independent India – from a system embedded in welfare statism to a system partially based on quasi-market principles and finally to a system based on a neo-liberal market philosophy.

Though the contribution of higher education to development is quite significant, India, like many other developing countries, has not paid adequate attention to it. There has been a strong tendency in the country to neglect higher education, focusing rather exclusively on elementary, more particularly, primary education. While a major positive outcome of the 1990 Education for All conference in Jomtien, Thailand, was that elementary education received the somewhat serious attention of the national government, culminating in the passing of the Right of Children to Free and Compulsory Education Act (2009), it has had an undesirable effect on other levels of education, particularly higher education. It was widely felt that the goals related to elementary education could be achieved only if there was a cap on the expansion of secondary and higher education. As a result, higher education was either ignored in policy planning exercises or special measures were initiated to reduce the intensity of public efforts in it, or both.

Many public policy and plan documents, including the *Economic Surveys* the finance minister's annual budget speeches and debates and discussions on policy issues in education were confined to literacy and elementary education, ignoring higher education. Given the national, or even international, commitment to elementary education, the government felt that there was no way it could continue to support secondary and higher education on the same scale it used to earlier. To justify its stand, it declared in the 1993-94 Annual Report of the Ministry of Human Resource Development, "The higher education system in the country is now sufficiently developed to meet the nation's requirements. The unmet demand for higher education is not considered economically viable."

Another very important development in the early 1990s was the introduction of neo-liberal economic policies that heralded an era of laissez-faireism in higher education, which facilitated the growth of the private sector, often at the cost of public higher education. The absence of a clear, coherent and explicit long-term policy perspective on higher education in India and a vision for its development have been the hallmark of Indian education in the last quarter century. So much so that having no policy on higher education has itself been the policy.

The neo-liberal policies that included stabilisation and structural adjustment required a drastic cut in public expenditure across the board, including on higher education. These policies set the tone for sweeping reforms in higher education in India in the following years. Higher education was defined as a "non-merit good" that did not deserve to be financed by the State. On the whole, higher education has suffered in the last couple of decades, including in the areas of policymaking and planning. Given the absence of any policy statement per se, to draw any kind of insight into the policy perspective of the government, one has to rely on the proposals made in the five-year and annual plans, budget speeches of the minister for finance, other statements made by ministers on various occasions in and outside Parliament, executive orders, and plans and schemes introduced or announced by the government.

Declining Allocations

Allocations for higher education in the Eighth (1992-97) and the Ninth (1997-2002) Five-Year Plan periods touched all-time lows. Hardly 7% to 8% of the total Plan expenditure on education was devoted to higher education, compared to nearly one-fourth in the Fourth Five-Year Plan (1969-74) period. A drastic decline in public expenditure per student in real prices was recorded both in general higher education and technical and professional education. There were steep cuts in budget allocations for libraries, laboratories, faculty improvement programmes, research, and so on. Faculty

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recruitment in universities and colleges came to a halt for more than a decade. Further, during this period, quality and, more importantly, equity were traded off.

Scholarships in higher education have the potential for promoting equity as well as excellence because a large proportion of merit-cum-means scholarships go to meritorious students among the weaker sections. But there was a sharp fall in the budgets for scholarships in higher education alongside those for research. The neglect of doctoral research for a long time resulted in a severe shortage of faculty, which India continues to experience now. Cost-recovery measures have been not only seen as a solution to the problem of inadequate public finances, but also as a sound and desirable method of financing higher education. Student fees have been continuously increased and student loans have replaced scholarships in policy discourses. Many other methods of augmenting non-governmental resources are being experimented with. The whole approach has been to reduce public funding for higher education. As a result, even when the economy was growing at more than 7% to 8% per annum, there was no significant increase in the allocation of public resources to higher education. The higher education system has suffered a great deal from these myopic policies and faulty approaches.

While primary education provides the three 'R's, it rarely imparts the skills and knowledge necessary for employment in a job that ensures decent wages and living conditions. So, elementary education is not a terminal level of education. Most of the literacy and primary/elementary education programmes in the country do not impart literacy that is sustainable, which means that they do not guarantee that children do not relapse into illiteracy. Further, even if elementary education imparts some valuable attributes in terms of attitudes and skills and is able to take people from below the poverty line to above it, the level of ascent is often not very high. The danger of their falling below the poverty line at any time remains high.

On the other hand, it is higher education that consolidates the gains received from elementary and secondary education and

provides skills that could be useful in the labour market, while helping in innovating technology and sustaining growth. It is higher education that keeps people above the poverty line without the danger of their falling back into the poverty trap, whether it be educational poverty or income poverty. Higher education takes people much beyond the poverty line by improving the social, occupational and economic mobility of households. Somewhat robust research evidence exists to show that higher education contributes to development and has a poverty-alleviating effect. It enhances the earnings of individuals and thereby contributes to economic development. It thus makes a significant contribution to reducing absolute as well as relative poverty. It also contributes to improvement in human development indicators such as infant mortality and life expectancy. In all, higher education is a very important "human capability" and a "human freedom" of the sort that Amartya Sen champions, a freedom that helps in attaining other freedoms, though Sen does not explicitly refer to higher education in this context.

Sudden and Significant Change

There has been a sudden and significant change in the approach to higher education in recent years. It has probably been realised that a government that aims to transform India into an east Asian tiger or a developed country can ill-afford to ignore higher education. Economic miracles cannot be created without higher education. A "knowledge society" cannot be built without it and a revolution in information technology (IT) cannot be sustained without strengthening institutions of higher learning. Poor-quality education and inadequate higher education systems are features of impoverished, developing countries. Perhaps it is also realised that sustaining the recently realised high rates of economic growth in a globalised world requires a strong and well-distributed higher education system.

It was acknowledged that the enrolment ratio in higher education had to be raised to at least 15% by 2012 from around 10% in the middle of the last decade to realise the objective of inclusive growth. In addition, this had to be

pushed up to about 30% in the decade after that. The gross enrolment ratio reached 15% by 2009-10, according to the Ministry of Human Resource Development's *Statistics on Higher and Technical Education (2009-10)*. International evidence shows that economically advanced countries with universalised secondary education that provide a fair degree of access to higher education have a gross enrolment ratio ranging from 40% to 90%. The converse is also true. No country with a low enrolment ratio of 10% to 15% can become an advanced country – economically, politically or socially. A 30% to 40% enrolment ratio in higher education seems to be the critical threshold level for a country such as India to become an advanced nation.

Accordingly, in the Eleventh Five-Year Plan (2007-12), which was described as an Educational Plan, allocation to higher education was scaled up and major expansion was planned. As many as 30 new central universities were to be set up, of which 15 have been opened in the last two to three years. At the commencement of the Eleventh Plan, only 20 such universities existed. Plans for expansion also included setting up six new Indian Institutes of Management, seven Indian Institutes of Technology, 20 National Institutes of Technology, four Indian Institutes of Information Technology, nearly 2,000 colleges of engineering and technology, 1,300 polytechnics, 400 undergraduate colleges and many other institutions. Recruitment of faculty, which had lagged for nearly a decade and a half in several states, began to take place again. The University Grants Commission (UGC) formulated new scholarship schemes to promote research and to improve the access of the weaker sections to it. The student loan scheme, which was restructured in the early 1990s, was further reformed with liberalised conditions and a subsidy on interest for students belonging to lower social strata. The UGC also initiated measures to provide special funds to second-tier and third-tier institutions to improve their infrastructure. In addition, the government began considering setting up 14 world-class or "innovation" universities.

New Legislative Measures

Quite a few reforms are being attempted through introducing new legislative measures for improved governance of the higher education system by setting up a National Commission on Higher Education and Research in place of the UGC, All-India Council for Technical Education and All-India Council for Teacher Education, for improving accreditation mechanisms, checking unfair and corrupt practices in technical education and setting up grievance and redressal mechanisms. A bill for allowing the entry of foreign universities to India has also been introduced in Parliament. The government wants to not only expand the higher education system by allowing the entry of foreign universities, but also make economic gains with the export and import of higher education in the framework of the General Agreement on Trade in Services (GATS). Some of the government's recent initiatives seem to help in smoothing the process of it making a commitment to higher education under the provisions of the World Trade Organisation (WTO) and the GATS. While these developments have been welcomed by many, several others have rightly questioned them. Some go so far as to point out that many of these measures meant for reforming higher education are actually deforming it.

Quite interestingly, the government aims to realise the promised expansion of higher education with the active involvement of the private sector and through various modes of public-private partnership (PPP). For instance, according to the Planning Commission's estimates, 88% of the funds required for the approved expansion of higher education in the Eleventh Plan were to be generated through different modes of PPP. The Planning Commission's allocation would meet only 12% of the estimated requirements. The mid-year review (2010-11) of the annual plan made it clear that "necessary legislation measures to facilitate private participation must be initiated and viable models of PPP in education need to be worked out as early as possible". The importance of the private sector in education and the need to enhance its role is one of the few issues on which the government seems to be very clear and unambiguous.

Approach Paper Policy Statements

Loud policy statements on this have been made in the approach paper to the Twelfth Five-Year Plan (2012-17). The very first chapter states,

Private initiatives in higher education, including viable and innovative PPP models, will therefore be actively promoted. The

current 'not-for-profit' prescription in the education sector should be re-examined in a pragmatic manner.

In a brief, 10-page chapter on education, the role of the private sector and the necessity of encouraging it figure repeatedly, prominently and very clearly.

Even in elementary education, which is now enshrined in the Constitution as a fundamental right, the approach paper highlights the importance of private sector. It recommends exploring the possibilities of involving the private sector in expanding its reach and improving its quality. It further states that "barriers to private entry are high, which need to be re-examined". Surprisingly, it even favours private participation in enlarging the coverage of the mid-day meal scheme, which is now fully funded by the union government. In secondary education, it is already known that a major part of the expansion of the Rashtriya Madhyamik Shiksha Abhiyan scheme has to take place through private participation and PPP. The government feels "it is imperative that the private sector capabilities are fruitfully tapped" and argues that "PPP in secondary education be vigorously explored".

Vocational education, skill development and training have not been planned as a part of secondary or higher education,

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but as another tier in the education system that can facilitate segregation of students into streams for vocational and higher learning. The approach paper says, “Public-Private Partnerships in financing, service delivery, and provision of workspaces and training of trainers should be promoted”.

The approach is equally, if not more unequivocally, articulate on higher education, repeatedly stating its resolve to promote the role of the private sector in it. It says, “Private initiatives in higher education, including viable and innovative PPP models, will therefore be actively promoted”. Besides observing that resources need to be mobilised from the government and also from private sources, it makes six statements in unambiguous terms.

One, it says, “Private sector growth in higher education (including technical) should be facilitated”. How is this to be done? The paper stresses “the need for removal of entry-barriers to private participation” in not only higher education, but also all levels of education.

Two, the paper argues that “innovative Public-Private Partnerships (PPP) should be explored and developed”.

Three, it states, “The ‘not-for-profit’ tag in higher education sector should, perhaps, be re-examined in a more pragmatic manner”.

Four, it favours providing “deserving” private institutions with “access to public funds in the form of loans, financial aid for students and competitive funding for research”.

Five, it states that institutions of higher education “should be encouraged to raise their own funds through various legitimate means”.

Six, it recommends considering the idea of creating large education hubs at four or five locations in the country, anchored by large public sector enterprises, possibly with the participation of the private sector and using funds from their allocations for corporate social responsibility.

Problematic Proposals

I find every one of these proposals highly problematic. There is now no effective regulatory framework binding on private institutions and the union and state governments have been very liberal in

allowing them to come up. The growth in the number of private institutions testifies to the non-existence or existence of only a weak set of barriers to their entry, operation and exit. Yet, the government proposes to further facilitate easy entry and the growth of private sector with more liberal provisions. Second, it is widely recognised that PPPs, which begin as formal contracts, often end up as business deals where the costs and risks are shared by the public and the profits by the private partners. But the government intends to go in for more and more PPPs, not only in commercial sectors, but also in education. Third, in the last two decades, public institutions have been encouraged, or even required, to generate more resources and they have been doing this mostly through erratic and steep increases in student fees and other charges. Asking universities to generate more funds could even prove to be counterproductive – students may prefer going abroad to paying very high fees within the country. Fourth, the creation of education hubs, probably on the lines of special economic zones, is expected to be accomplished by relying on corporate social responsibility – an untenable idea to begin with.

Even more serious are the proposals related to re-examination of the not-for-profit tag and providing financial assistance to private institutions. The first proposal was made in the context of the education sector as a whole, implying that it is an issue to be considered in case of elementary and secondary education as well. Education, which by definition and nature has been de jure a not-for-profit sector until now, is likely to be converted de jure into a for-profit sector. It is widely felt that private educational institutions in India, though described de jure as charitable or not-for-profit institutions, are de facto profit-making institutions, which have their own rules and regulations and are least regulated by and least accountable to the government. These institutions have already contributed to vulgar forms of commercialisation in education. To now formally allow them to make profits with no limits will result in further commercialisation of our education system. Instead of checking the tendency to commercialise education

and make profits, the government seems eager to formally legalise the unfair practices of private institutions. Moving from an educational system characterised by partial application of quasi-market principles to one fully governed by market principles, many of which are hazardous to its strength and equity, will be injurious to all but a privileged few.

Excellence in Public Institutions

In this context, it is important to note that the best institutions of higher education in the world in terms of quality and standards are public institutions or private institutions that are guided by the principles of philanthropy. They are certainly not for-profit institutions. Besides, for-profit institutions are hardly inclusive in providing access to higher education. As a matter of fact, they are clearly exclusionary in nature. But the government proposes to provide liberal funds to these institutions. As many know, the government already extends strong financial support to such institutions. Private universities and other institutions of higher education are indirectly but heavily subsidised in the form of land at concessional rates or even throwaway prices, tax concessions in the purchase of different kinds of material and tax exemptions for all kinds of monetary resources that flow in. They are also directly subsidised in the form of public funds for research and attending/organising conferences and seminars, and other development grants under various schemes of the UGC, other bodies such as the Indian Council of Social Science Research (ICSSR), the Council of Scientific and Industrial Research (CSIR) and the Department of Science and Technology (DST), and of the union and state governments.

Besides, huge financial assistance is provided to so-called self-financing institutions under “fee-reimbursement” schemes in technical (and also general) higher education (and even in school education) in some of the states. The UGC in its 472nd meeting in September 2010 made a decision to provide grants to private self-financing universities – deemed and state private universities. These institutions will be accorded 12(B) status and will have access to grants, probably even for

salaries and maintenance. It has already begun funding these institutions. The ugc has made huge grants to private deemed universities, some of which have been recommended for derecognition by the P N Tandon Committee appointed by the Ministry of Human Resource Development. Students in private institutions also have easy access to student loans and this has further facilitated the fast growth of private education. The government provides guarantees to banks for student loans so that private education expands further.

Push for Private Sector

Now, according to the approach paper, it appears that the government is determined to help the private sector grow further and even flourish. In sum, the approach paper favours further provision of access to public funds to these institutions, probably even at the cost of public institutions, which can be described as a policy of “private enrichment and public pauperisation”. Interestingly, the government is not completely unaware of the problems being created by private institutions of higher education. This was very clear when it recently introduced bills in Parliament for the prohibition of unfair practices in technical educational institutions and for setting up educational tribunals to prevent such practices in private institutions and properly regulate them. At the same time, somewhat paradoxically, the government still favours large-scale expansion of private higher education in the country.

Today, according to the Annual Report of the Ministry of Human Resource Development (2010-11), there are nearly 600 universities, including a few university-level institutions, and 32,000 colleges in the country compared to about 250 universities and 10,000 colleges in 2000. Students number nearly 17 million, excluding 3 million additional students enrolled in open education system. Much of the expansion that has taken place in the education sector after the introduction of neo-liberal economic policies in the 1990s has been in the private sector. Interestingly, the approach paper recognises the huge share of the private sector in higher education. There are today 73

private universities and nearly 100 private institutions deemed to be universities, compared to almost nil about a decade ago. More than half the colleges are in the private sector. As the approach paper notes, private higher education accounts for about four-fifths of enrolment in professional education and one-third overall.

These proportions are quite high compared to figures in advanced countries. If enrolments in self-financing courses in public higher education institutions are also added, these proportions would be much higher. In contrast, in the us, hardly one-fourth of the students in higher education are enrolled in private institutions. Without realising that the absolute and relative size of the private sector in higher education in India is alarmingly high compared to the so-called privatised higher education systems around the world, and that we have crossed all decently defined tolerable limits of privatisation, the approach paper argues for further growth in private higher education, including for-profit higher education. This will definitely not help in building a strong, vibrant and sustainable higher education system. The excessively privatised higher education system, which is also fraud prone, has already raised grave concerns about the quality of education provided by it and the degree of equitable access to it. Issues to do with corruption, ethics and even the very nature of higher education have also figured in discussions on it. The way things are going, the higher education system is drastically being transformed into a commercial business activity.

Privatisation Mantra

Many rightly note that the last couple of decades have seen the unbridled and erratic growth of private higher education in India and that this trend is unlikely to change in the near future. What is very clear from the approach paper to the Twelfth Plan is not so much the unlikelihood as the unwillingness of the government to alter this even modestly. Surprisingly, there is no clear reference in the approach paper to some of the major policy goals of the government. For example, there is no promise to realise the long-standing goal of allocating 6% of

gross domestic product (GDP) to education. Neither is there any clear resolve of making secondary education universal nor is there any reference to the goal of a 30% enrolment ratio in higher education. On the whole, the approach paper does not spell out what the government wants to do to improve the public education system, but what it intends to do to facilitate the growth of the private sector. Privatisation seems to be the only mantra for development of education in the Twelfth Plan.

The approach paper of the Eleventh Five-Year Plan was titled “Towards Inclusive Growth”. It appears that growth has taken place in the last five years, but many note that it has not been inclusive with widening inequalities between the rich and the poor. In the case of higher education, inequalities have increased and the absolute numbers of those attaining higher education in the bottom income groups have fallen in the last decade, according to National Sample Survey data. Now the draft approach paper to the Twelfth Five-Year Plan is titled “Faster, Sustainable and More Inclusive Growth”. One may believe that growth, even faster growth, may take place, but it may not be necessarily inclusive. Oddly, very few appear to have found serious contradictions in the approach of the Eleventh Plan, which aimed at inclusive growth but through an enhanced role for private sector. The Twelfth Plan aims to do exactly the same – inclusive growth to be realised through incompatible strategies that promote privatisation. The approach paper, however, states in what looks more like a rhetorical statement that “a holistic and balanced expansion approach is needed to target under-represented sections of society” and that “the central principle should be that no student who is eligible to be admitted should be deprived of higher education for financial reasons”.

Many of the recent initiatives in policy reforms mark a transition in the history of higher education in independent India – from a system embedded in welfare statism to a system partially based on quasi-market principles and finally to a system based on a neo-liberal market philosophy. Sadly, the transition seems to be complete and dangerously irreversible.