

From Kothari Commission to Pitroda Commission

In 1966, the D S Kothari Commission on education submitted a progressive report, which was largely implemented half-heartedly, and the policy on higher education has continued to be driven by vested interests. Now, Sam Pitroda's report on behalf of the National Knowledge Commission suggests reforms to face current and future challenges.

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More than 40 years ago, when D S Kothari submitted the report of the Education Commission to the then education minister, M C Chagla on June 29, 1966, he noted, "It is characteristic of a world permeated by science that in some essential ways the future shape of things is unpredictable. This emphasises all the more the need for an educational policy which contains a built-in flexibility so that it can adjust to changing circumstances. It underscores the importance of experimentation and innovation." He added, "...the single most important thing needed now is to get out of the rigidity of the present system. In a rapidly changing world of today, one thing is certain: yesterday's educational system will not meet today's, and even less so, the need of tomorrow."

This prophetic statement is equally and perhaps more relevant today in the context of enormous change taking place in the society and economy. While its recommendation to have a broadly uniform educational structure in all parts of the country with the ultimate objective of adopting the 10+2+3 pattern is well known and has been largely achieved, several other recommendations are less-known and have been pursued only half-heartedly.

For higher education, the commission had drawn up a long-term enrolment plan. This was based on calculation done by a joint team of the London School of Economics and the Indian Statistical Institute. The entire economy was divided into a number of sectors. It was assumed that as net output in each sector and in each

branch of manufacturing increases, so proportionately will the employment of educated manpower in the country. The pattern of employment in 1961 was taken as base, and manpower requirements were worked out on the basis of proportional growth of manpower and sectoral outputs. Requirement of educated manpower in case of services was worked out on the certain more or less arbitrary norms, such as number of doctors per thousand population, teacher-pupil ratios or assumed growth rates.

The manpower planning approach to higher education expansion by the commission unambiguously suggested that the primary purpose of higher education is to meet the need of qualified people in the economy. This was not meant to undermine the civic or societal role of higher education. The commission emphasised that education at all stages should foster social transformation and strengthen democratic ideals. In higher education, this role has to go hand-in-hand with higher education's primary purpose of training people to acquire skills and competencies for productive activities in the economy and to create new knowledge.

Policy over the Past 40 Years

The political forces and electoral compulsions that guided policy on higher education have become stronger since then. The policy continues to be driven by ideologues and vested interests. The old ideologues that saw expansion of higher education for its own sake are now joined by those who would like higher enrolment ratios comparable to enrolments in the

advanced countries disregarding the structure of Indian economy. The earlier vested interests mainly from the academic community that saw opportunity for personal advancement through expansion of higher education have been joined by private promoters of higher education who see big money in the rapidly growing demand for higher education. With the growing middle class and their rising aspirations, demand for higher education has continued to grow. Over the past 60 years while the population increased threefold, higher education enrolment grew more than 100 times.

Despite poor labour market outcomes for graduates in the 1970s and the 1980s, the demand for higher education has grown over the years. While the growth was largely through public investment until 1980s, private higher education grew rapidly after that. Private higher education has now moved from the periphery to centre stage. In almost all professional courses about 80 per cent enrolment is in private institutions. While this structural shift was going on in the Indian higher education, public policy has continued to be engaged in the rhetoric of autonomy of institutions, commercialisation of higher education and wild-goose chase to achieve some arbitrary set targets related to enrolment and public investment in higher education.

Projected enrolment in higher education based on the selected educational statistics (SES) of the ministry of human resource development for the year 2006-07 is 12.82 million. This amounts to a gross enrolment ratio (GER) of 9.7 per cent. The GER measures the access level by taking the ratio of persons of all ages enrolled in higher education programmes to the total population in age group of 18 to 23 years. The country aspires to reach a GER of 15 per cent by the year 2011, the terminal year of the Eleventh Five-Year Plan.

Projections based on the population census 2001 suggest that the total enrolment in higher education is now 20.7 million with GER of 15.6 per cent. The National Sample Survey, 2003 gave enrolment figures in-between. The census figures are much higher than the figures collected by the government. These include formal and informal, public and private, conventional and distance mode, as also recognised diploma and certificate courses. Though the census estimates may be treated as upper bound estimates, yet

it seems to suggest that the country may have already achieved the enrolment targets set for Eleventh Five-Year Plan in its first year itself.

Fixing enrolment targets is meaningless for yet another reason. Experience over the past two decades suggests that expansion in enrolment has been largely in the private institutions; public investment hardly added any new capacity. Private higher education in any case would expand if there is an unmet demand. Rather than numbers, quality is often the issue here.

While more and better higher education could generally be a policy objective there is no magic figure of 15 or 20 or even 50 per cent that a country could aspire to achieve. It needs to be recognised that enrolment in higher education should broadly reflect the absorptive capacity of the economy. While some oversupply of qualified people usually helps in putting economy on higher productivity growth path, a large mismatch can however result in an acute problem of unemployment and underemployment of graduates. Considering the above realities, fixing enrolment targets in a manner done in India is an exercise in futility. Expansion of higher education has to keep rhythm with the developments in society and economy.

There are indications that plan outlay for higher education would be increased significantly during the Eleventh Five-Year Plan. A large proportion of this would go to support expansion in the centrally funded institutions with a view to accommodate politically sensitive reservation for the students from other backward classes (OBCs). If it were not for this obligation, the possibility of any substantial increase was bleak. Despite this compulsion, the government is struggling to find resources to meet the actual demand for expansion that would not touch more than 2 per cent of the system as whole.

While, there is definitely a case for enhancing the public funding for higher education, in the face of competing demands on public resources, the scope for such enhancement is limited. The fact that India's relative effort (measured by the amount spent per student as a percentage of GDP per capita) at 57 per cent is much higher than 26 per cent in the US, 31 per cent in the UK, 17 per cent in Japan and merely 5 per cent in Korea and even China at 41 per cent is often missed out. This

suggests that at India's stage of development, the country is already spending disproportionately larger sum of public money on higher education.

On the issue of autonomy, it needs to be recognised that all universities have absolute freedom in academic matters. No regulatory body prevents them from changing their curricula. The teachers in most cases have little or no incentives to do so. In many cases, the number of teachers in a faculty of a university is so few or their quality so poor that they cannot be expected to take up the onerous task of revising the curricula.

Due to fear of commercialisation, private higher education is often berated and its growing clout usually ignored. This is despite many obvious benefits of privatisation. Notwithstanding a few exceptions, it is clearly established that private schools in India perform better than the government schools. This flows from the benefits of private ownership, managerial autonomy and better accountability in a competitive environment. The strongest influence on overall quality of schools is autonomy, particularly in personnel matters. The private schools are directly accountable to parents. In contrast, government schools are only accountable to parents indirectly through the political process and have muted incentives to improve.

There is no reason why higher education institutions would behave differently. Public policy fails to recognise that the private higher education is the most dynamic sector of higher education today. Over the past five years private investment has been as much as five times public investment in higher education. The promoters not only run the institutions from the tuition fee revenues but are also able to generate surpluses that are reinvested in their education ventures. This also shows that a large number of families are now willing to spend almost all their earnings in order to educate their children, since they see education as the best form of investment for their upward mobility.

In situations where it is politically infeasible to raise tuition fees in public funded institutions, private higher education addresses yet another concern related to regressive subsidies doled out to public institutions. Higher education creates benefits beyond those to the individual –

benefits in terms of growth, social cohesion, and transmission of values. Thus taxpayer subsidies are justified. However, graduates also receive private benefits often substantial private benefits. Thus, it is both efficient and fair that they should bear some of the costs. Since students from poor families cannot pay for it, there is a need for some financing arrangement. Experience the world over has shown that income-contingent loans are the best form of public support.

Private higher education is however not a panacea for all ills. Unregulated private higher education can have serious repercussions on equity and quality. It can lead to large-scale exploitation, corruption and chaos. At the same time an unpredictable and non-transparent regulatory environment could impair performance of private institutions. This could also impede higher levels of investment. An optimal level of regulation is therefore desirable.

Pitroda Commission Report

While the policy debate continues to be marred by rhetoric and ideologies, the report on higher education submitted by Sam Pitroda on behalf of the National Knowledge Commission (NKC) on January 12, 2007 is a significant departure from the usual policy discourse. It is not based on any ideology; neither does it serve any vested interests. It takes into account the ground realities relating to economic and social forces operating in the country. Set up outside the purview of the administrative ministry, it has been able to take an objective view of the role of the government. In recommending an independent regulatory authority at an arm's length from the government and independent of all stakeholders, the commission makes a bold statement towards de-politicisation of higher education.

Though the report advocates expansion to attain GER of at least 15 per cent by 2015 and increase in government support for higher education to at least 1.5 per cent of the GDP, it goes much beyond that and provides a direction for systematic overhaul of the entire higher education system without diluting academic standards. In the existing universities, the commission has recommended transition to course credit system to bring in more flexibility in course structures, decentralised examination system with focus on internal assessment,

periodic revision and restructuring of curricula and criteria-based resource allocation to ensure maintenance of standards and strategic preference to promote excellence.

The commission suggests that foreign education institutions should be allowed in with policies to ensure that there is incentive for good institutions and disincentives for sub-standard institutions to come to India. Level playing field must be ensured and all rules that apply to domestic institutions should also be applicable to foreign institutions. On fees and financing, it suggests the principle – those who can, must pay, and those who cannot, must not be denied admissions but provide scholarships. By stating what appears to be obvious, the commission points out that many ailments of higher education have simple solutions but require courage of conviction to translate them into action.

The system of affiliated colleges for undergraduate education has been the bane of the Indian higher education. The reforms suggested by the commission to grant autonomy for academic self-governance to individual colleges with proven record of academic excellence or to a cluster of colleges within a geographical area and remodelling some of the colleges as community colleges are all visionary. Constituting almost 85 per cent of all higher education in the country, reforms in undergraduate education are high priority. The State Boards for Undergraduate Education proposed by the commission would set curricula, provide quality benchmark and conduct examinations. This would enable the universities to focus on teaching and research at the postgraduate and doctoral level. The universities could however continue to offer undergraduate programmes on their own campuses. The new model for academic governance of undergraduate education would have far-reaching implications. This would help in consolidating the highly fragmented college system through clustering of colleges. This would provide much-desired autonomy and help in ultimately dismantling the antediluvian affiliating college system in the country.

Considering affiliating colleges as separate administrative units (which they really are), there are just a few universities in India that have enrolment exceeding 10,000. In the US and elsewhere, there are a large

number of universities that have enrolments in the range of 25,000 to 40,000 with several thousand faculty members. This enables universities to have a critical mass for maintaining academic coherence in the teaching-learning process and assist in new knowledge creation. The idea of clustering is therefore important for consolidation of the system.

By recognising the importance of private initiatives in higher education, the report suggests ways in which by lightly regulating this sector, further expansion of higher education is possible without diluting academic standards. With focus on stringent information disclosure norms, the new regulatory environment could provide greater accountability to society and create accountability within.

In recommending salary differentials (though not large) within and between universities, the commission has suggested practical ways of attracting and retaining talented faculty. It recognises the fact that educational institutions have to compete with other employers to get talented people. Public policy often assumes that talented people would opt for teaching for the love of it. The real world is different.

Advocating a needs-blind admission policy along with a well-funded, extensive and targeted National Scholarship Scheme, the commission suggests a balance between merit and equity. As per the report the scholarship has to target the

economically underprivileged students and students from historically disadvantaged groups. Affirmative action has to be based on deprivation index with a gamut of indicators as income, gender, region, and place of residence apart from caste and social groups. Through this recommendation, the commission provides a progressive tool for achieving social inclusion while expanding quality higher education opportunities in the country.

While the report of the commission has several useful prescriptions, its strength is in its objective analysis of the realities and right diagnosis of the problems. The idea of setting up comprehensive national universities is worth noting. The brand value of a central university has been compromised by granting central university status to several small regional universities enrolling only local students. The central universities other than being funded by the central government have nothing else in common. Not many of them have an all-India character in terms of their student body or faculty profile. Similarly, the new single-discipline institutions, the institutes of information technology have very narrow focus and have failed to capture the imagination of people at large. As per the report, the proposed national universities should necessarily have a body of students from all over the country. They should be autonomous, particularly in relation to personnel matters and be

Third 4-Week Refresher Course in Public Economics for the South Asian Region

NIPFP proposes to organise a 4-week refresher training programme in Public Economics for the South Asian Region, during May 28, 2007 to June 22, 2007. The participants would be college or university teachers, faculty in research institutions, normally under 45 years of age. Preference would be given to teachers teaching Public Economics/Public Finance. The teachers who have attended the programme in the past need not apply.

The programme would be organised at the Institute premises. Participants would be reimbursed 2AC train fares. All local hospitality would be provided by the Institute.

Interested candidates may send their CV to the following address by *April 1, 2007*.

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liberally funded to achieve higher standards. Though creation of 50 national universities de novo may not be feasible, yet several existing central and state universities could be identified and given that status for developing peaks of high quality education.

The commission's prescription for creating an independent regulatory authority for higher education should be viewed as creating institutional arrangements at arm's length from the government. It is commonly believed that the complexity, the multiplicity and the rigidity of the existing regulatory structure is not conducive to the expansion of higher education opportunities in the country. It does not allow experimentation and innovation.

In this context, it needs to be recognised that any attempt to regulate higher education in the same way as the telecom services or the power sector would be wrong. While it is true that by effectively regulating higher education, it would be possible to rapidly expand higher education and achieve competitive reduction in costs along with improvement in quality as in telecom services and electric supply, yet the best way of optimally regulating higher education has to be found.

Higher education is more complex than telecom services or electric supply. There is fuzziness about the quality since the purpose of higher education is only ambiguously defined. The notion of quality itself varies from one academic programme to another. The standards are difficult to set and monitor. Both the supply and demand are characterised by large heterogeneities. Students cannot be seen as mere consumers of higher education services. In many cases, they are part of the production process. This apart, the number of providers is far too many for a single body to handle. A single regulatory body might adopt one-size-fits-all approach and might work against diversity and pluralism that the commission has advocated.

A better approach would be to decentralise, delegate and unbundle various regulatory functions. In the spirit of federalism, a number of responsibilities can be effectively delegated to the state level bodies. Some functions can continue to be discharged by existing bodies; the independent regulator can coordinate, settle disputes, license independent accreditation bodies, etc. For better governance absolute powers that currently

vest in the administrative ministry need to be dispersed amongst various stakeholders to create effective checks and balances in the system. While there is a strong case for regulatory reforms, utmost care should be taken while tempering with the existing regulatory arrangements, else it would result in further chaos and confusion.

In all, the short report submitted by Pitroda provides a good analysis of the deep crisis in higher education in India. It gives broad direction for reforms and has potential to become the base document for devising a policy for higher education with

built-in flexibility that allows experimentation and innovation as advocated by D S Kothari. The report has many useful ideas for reforms. These merit serious discussion. There is a need to take these ideas across the country and build consensus on them. India's future cannot be built on the foundations of yesterday. Higher education policies rooted in the past will not work. We need policies rooted in today's realities with ability to adjust to changing circumstances as Kothari pointed out more than 40 years ago. **EPW**

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