

Committee on Corporate Sector Participation in Higher Education

Executive Summary

Background

The Consolidated Working Group for the 12th Five Year Plan has identified an anticipated resource gap of **Rs 3,00,000 crores** against a total projected outlay of Rs.4,13,368 crores, of the Department of Higher Education.

Given the limited volume of public resources available, the government has to find innovative and newer avenues for **funding, promoting research and upgrading quality** while focusing on scale to meet the requirements.

The corporate sector as key stakeholder in higher education can play a pivotal role in improving our current higher education system as well as in meeting future aspirations.

Corporations can collaborate with the academia in several ways, with varying funding commitment:

- direct ownership and management of institutions
- collaborating with the higher education institutions in research, faculty development, infrastructure creation, student scholarships, and governance.

It is in this context that the Planning Commission constituted this Committee on Corporate Sector Participation in Higher Education.

The Committee's mandate was to examine and provide recommendations on the

- potential and modalities for corporate sector participation in higher education in
 - support of development of national education and innovation hubs and
- the Institutions of National Importance (INIs) / centers of excellence, and models for industry-institution interaction to
 - Act as catalysts of innovation and sustainable and inclusive economic and regional development.

The Committee has looked into various issues pertaining to the role that the corporate sector can play in improving the higher education system.

The Committee has approached its mandate from the perspective that the government can endeavor to transform a select group of Indian higher education institutions into world class institutions and attract investments for new institutions by

- easing current norms,
- overcoming systemic challenges,
- creating a conducive environment for higher education to thrive in and
- focusing on quality of the institutions and the outcomes (students, research output),

These issues need to be addressed to ensure productive participation from the corporate sector.

The government needs to transform itself from a provider of higher education to play key roles in enabling and establishing an appropriate regulatory framework to set quality standards for higher education.

The recommendations proposed in this report are three-fold:

1. Create enabling conditions to make the higher education system robust and useful to attract investments.

2. Improve the quality of higher education by focusing on research and faculty development, with corporate sector participation.
3. Engage the corporate sector to invest in existing institutions, set up new institutions, and develop new knowledge clusters.

The key challenge facing the government and policy makers is how to maintain quality while increasing the reach of the current system without exerting more pressure on public finances and how to create world-class universities in India to bring in competitiveness and enhance innovation.

In the last decade, though the government has been focused on expansion, equity through inclusion, and excellence in higher education. Despite the efforts taken, there are **serious challenges**.

- **Quality deficiency:**
 - **Faculty shortage**
 - **Deficient physical infrastructure**
 - **Poor academic standards**
 - **Unaccredited institutions**
 - **Employability**
- **Quantity mismatch, and**
- **Funding gaps**

Corporate participation

To adequately leverage the corporate sector, it is important to look at the entire set of engagement models to ensure significant participation as well as diversity. The recommendations and ways to execute them effectively are suggested.

Recommendations

Corporate participation in the higher education sector is vital however, to encourage this participation, it is important to create an enabling environment in the existing higher education system that allows existing institutions to become world-class, as well as facilitate the establishment of new world class institutions.

A. Towards creating enabling conditions to make the higher education system robust and useful to attract investments.

1. *Autonomy*– in financial, regulatory, academic and administrative aspects
 - a. *Accountability*
 - b. *Governance*
2. *Resources* – ensuring availability of land, infrastructure and connectivity
3. *Fiscal incentives* – to encourage investments and attract funding
4. *Enabling environment* – (such as visas) for free movement of faculty and students to promote collaboration with world-class institutions abroad
5. *Accreditation - Freedom to accredit* with global accreditation agencies to put Indian institutions on par with the best
6. *Access to funding for Students* – through scholarships to enable students to pursue their chosen fields of study

B. Towards corporate participation in improving quality by enhancing research focus and faculty development.

7. Enhancing **research focus** – through dedicated funding for research, sponsored doctoral programs, and part-time Masters and PhD programs
8. **Faculty development** – by increasing the talent pool of faculty from corporates (working and retired), faculty development programs, and sponsorships of visits by expert faculty

C. Towards creation of new infrastructure through corporate investments in higher education.

9. Setting up of **new facilities** by the corporate sector in existing universities and higher education institutions either as Centers of Excellence (CoEs) or in the form of technology parks.
10. Creating **new universities and higher education institutions**. (through Public, Private & PPP)
11. Developing **new knowledge clusters / hubs**.

Targeted Outcomes

The Committee has identified three targeted outcomes from corporate sector participation in higher education system.

1. **Upgrade up to 75 ‘top-of-the-class’ universities and higher education institutions** at a typical investment of Rs.175-200 crores per institution.
2. **Create 20 new ‘world class’ universities and higher education institutions** by Pvt. or PPP at a typical investment of Rs. 500 crores per institution.
3. **Develop 20 new national knowledge clusters** in identified cities and educational hubs through the PPP model at a typical investment of Rs. 500 crores per cluster / hub.
4. **Mobilizing an additional 5,500 faculty members** through a mix of international recruitment (about one-third of the total), development and improvement in the quality of domestic PhDs, and involvement of leading practitioners from the Indian industry.

To deliver on the above outcomes, a potential investment of about **Rs. 40,000 crores (\$ 8 billion)** required over the 12th Plan (2012-17) period by pooling resources between the govt. and the corporate sector.

Break up INR– (i) Central Govt- 15,000 crores; (ii) State Govt. – 5000 crore; (iii) Corporate- 20,000 crore

Way forward

1. **Set up an inter-ministerial group** under the Planning Commission to facilitate the implementation of the recommendations of the Committee.
2. To enhance business & academic collaboration, establish a **Nodal Agency** to develop a common agenda, focus on quality and channelize investments to higher education in India.
 - a. Corporates & universities/higher edu institutions should jointly explore models along the lines of the *Council of Industry and Higher Education*(CIHE), UK.
 - b. Nodal agency to be named **Council of Industry and Higher Education Collaboration** (CIHEC) - to promote and facilitate industry-institution collaboration in the various domains of higher education and research.
 - c. **CIHEC** to be an independent not-for-profit organization founded by contributions from industry and govt. comprising business and higher education leaders.

Accordingly the committee has suggested CIHEC’s Goals & Activities; Membership & Funding; and its Governance structure.