

# Background Paper on Autonomy in Higher Education: Regulatory and Legal Issues (some thoughts)

# Introduction

The thrust towards greater autonomy is one of the three main trends in every modern educational policy, alongside quality assurance and quality evaluation techniques and the need to devote attention to special – and often disadvantaged – target groups. It is, however, difficult to derive a unified concept of ‘autonomy’ from the comparative indicators, which are published on a regular basis, and it has emerged that there are significant differences depending on the specific area and the administrative organisation of education in the country in question. It is apparent that ‘autonomy’ has to be considered in its various applications.

For the proposed changes in the area of education to be sustainable, a stable legislative and political framework in which the changes in education take place must exist. The setting up and maintenance of stable procedures and relationships among system elements is of primary importance to the education system – in other words, the setting up and maintenance of the “rules of the game”. This requires the definition of the structure, functions, and links among the elements. The process through which this is achieved is system regulation. If other conditions (such as: consistency with other areas of education policy, dedication, and motivation) are also fulfilled, regulation gives the education system the necessary stability. Regulation of the education system primarily refers to the areas and activities formally-legally regulated, but also to those regulated in an informal way.

## Importance, Outcome and essentials of Regulations

Within regulation, the following are especially important:

- the extent of system regulation (too much/too little/optimal formal-legal regulation),
- the distinctiveness of the regulation (clear, consistent with defined frameworks, passed in a consultation process, without loopholes and arbitrary interpretations),
- the changes in the characteristics of the regulation (a shift in emphasis from inputs to outputs, decrease in strictness and the set up of a broader legal framework that leaves freedom to act and initiate changes in the regulation philosophy).

The outcome of an analysis of regulation on education should show:

- whether there are voids in the normative solutions;
- whether instruments and resources for the realisation of normative solutions have been anticipated;
- whether the education system is normatively diversified to the extent that allows the satisfaction of the educational needs of all population groups and
- the realisation of the aims defined by the normative acts of the country and
- that stem from Quality Education for All.

The elements that has to be considered in the area of education policy regulation are:

- public policy (written laws, strategies, and regulation of various aspects of the education system),
- the processes of public policy in the area of education,
- the application of policy, and
- the results of policy in the area of education.

## Institutional Autonomy and Governance

Higher education governance relates to issues such as the relationship between the state and the institution, between academic self-governance and the participation of external representatives in institutional governing bodies, between the university and its constituent faculties. Higher education governance nowadays is hardly conceivable without institutional autonomy and academic freedom. An important element of institutional governance is student participation. New management forms are being introduced in many countries. Legislation must be adjusted to allow for changes.

*Institutional autonomy will formally be defined by law, but the legal aspect is only a partial description of reality. Autonomy may be described as the overall ability of the institution to act by its own choices in pursuit of its mission. It is the net result of the sum of its legal rights and duties and its financial and other resources.*

To find out how far a Institution enjoys autonomy in relation to the state, and whether the relationship departs from a proper balance of interests, one has to look at all dimensions of the state-institution relationship.

However, autonomy with respect to the state is nowadays only part of the total picture of institutional freedom. Universities/Institutions are increasingly subject to pressures from sources other than the state: market forces, competition for students and staff, the commercial interests in commissioned research. For good and bad, this trend will reduce the traditional values of the state-institution relationship.

In recent years, both governments and Educational Institutions have seen the need to open up for income from new sources as the state no longer can meet the costs of an expanding higher education sector. The increased co-operation with the business community and with international research institutions also increases the demands for academic and financial prioritisation. This often leads to a reform of the decision-making structure of the universities to strengthen management and increase efficiency. As a consequence, legislation in a number of countries are being changed, allowing for new management forms, usually taking in managerial principles from the business world.

Concerning autonomy, the law must delegate the necessary decision making power to the institution – for changes in curricula and teaching methods, for internal selfgovernance, for interaction with other organisations nationally and internationally and for economic transactions.

It is also very important that accountability must follow autonomy. In all fields where the institution has been given the responsibility to make its own decisions, the decision process should be transparent and results should be made public. On the other hand quality assurance systems will be important cornerstones in our system of higher education. The quality assurance system must be independent of political and institutional interaction and it must have a basis in the legislation.

This means that an effective law on higher education should only regulate what is essential to regulate and which cannot effectively be regulated in any other way. It should be written to allow for change, remaining applicable as the higher education system develops.

## CABE committees report

Central Advisory Board of Education in July 2004 was reconstituted by the centre. Soon thereafter CABE constituted a number of committees to go into various aspects of education. Two prominent committees on higher education submitted their reports in June 2005: Report of the CABE Committee on Autonomy of Higher Education Institutions and Report of the CABE Committee on Financing of Higher and Technical Education. The main terms of reference of the first Committee were (a) To suggest measures for enhancing the autonomy of higher education institutions, especially those with potential for excellence; and (b) To institutionalise regulatory provisions for promoting autonomy and accountability of higher education institutions.

The executive summary (ES) of the report has several generalities and some important specifics. Examples of the former are: “There is a need to grant autonomy to individual institutions for designing curriculum” and “Each university should exercise innovative approaches in undertaking periodic revision of curriculum every two to three years and an intensive revision every four to five years depending on the developments in the subject area.”

There are also some general recommendations that could lead to questions and more questions. For instance, the Committee notes thus about faculty research: “In order to facilitate research in institutions of higher education, funds should be made available to faculty member against duly worked out and approved research proposals. In return, the faculty member should be accountable to maintain progress of research of acceptable standards as should be evidenced by publications in reputed journals.” Has this not been the case for the past several decades? Are we to understand that for the first time in the history of this country we are seeking research funds and accountability?

The more direct and important messages are given below along with a remark or two. A paragraph in the ES about self-financing courses goes thus: “All universities and colleges should be given the autonomy to start self-financing courses particularly in new and emerging areas where job opportunities exist subject to the overall framework provided by their funding and regulatory bodies.” The Committee should have perhaps recommended that self-financing courses should never be mounted on an exclusive basis, they should take the form of self-financing seats/places in regular courses.

An extremely valuable recommendation is that all universities should shift towards adoption of a choice-based credit system and semester system — key to promoting students’ mobility both within the

country and abroad. One should also applaud the recommendation about changing over to internal evaluation of students.

The Committee suggests that all universities adopt the practice of performance appraisal of teachers initiated through self-appraisal based on objective parameters. A missing ingredient is student feedback.

As for the selection of students, the suggestion is “a suitable combination of the scores obtained both in the entrance test and in the qualifying examination for admissions. A composite index is recommended with proper weights to academic performance in classes X and XII, extra-curricular activities, interview, etc. The Committee should have advocated a nation-wide test such as the SAT in the US, as many have been advocating in recent times.

The Committee chairman and members should be congratulated for having the courage of conviction to advocate the use of international benchmarks such as citation indices and patents for ensuring high quality research. Research is often cited and cited most if and only if the publications are in top journals of the world. The Committee should have dwelt on the issue of rewards for those who receive the maximum citation counts based on publications in top journals.

On the financial matters, a key recommendation is that a third of entire investment in the education sector should be made on higher education. This is way above the second committee’s norm of 25 per cent for higher and technical education.

The general recommendation that within the context of overall funds constraints, universities and colleges have to search for alternative funding sources is well taken. Consultancy earnings, sponsored research and alumni supports are important sources, except that the ‘best’ universities will get much and others little. Appeals for maintaining equity could take the steam out of the great idea. Regarding transparency and accountability, the Committee should have insisted that the university web sites put out audited financial statements.

The key recommendation of the Committee is raising the allocation to higher and technical education from 15 per cent to 25 per cent of the total education budget. If public expenditure on education goes up from current 4 per cent of GNP to 6 per cent, then higher and technical education’s share as percentage of GNP would go up from the current 0.5 to 1.5.

Other laudable recommendations include: Allocations for research to be substantially hiked; scholarships, in general, and for the weaker sections, in particular, to be significantly raised; putting in place a system of providing not just block grants, but a mix of block, maintenance, matching and development grants, aimed at promoting excellence in research and innovations in teaching; setting up a Higher Education Finance Corporation to coordinate the student loan schemes; monitoring and regulating distance education programmes; developing relatively stronger links between educational institutions and industrial establishments; regulating the growth of private educational institutions; and, finally, strengthening the educational data base in the country.

# The Present Scenario and the impact of Market Forces

Under the impact of powerful forces, the Indian system of higher education is becoming significantly more competitive.

New forces are reshaping the system—a rapid growth of for-profit degree granting colleges and Institutions; an explosion of virtual courses available from traditional non-profit, forprofit, and completely new institutions; demographic pressures encouraging more and different students to attend higher education; the impact of digital technology on teaching and learning; and an emerging trend toward the globalization of higher education. The system is moving toward one dominated more by market forces, less by regulation. What is emerging is a new form of competition.

Historically, the higher education system has operated in a heavily regulated and benign market, with only limited pressures for competition, efficiency and innovation. A few things are now clear: market forces are entering higher education, their entry is unstoppable and ubiquitous, and, increasingly, institutions are being forced to behave as competitors. The advance of market forces and the creation of new providers will come even if the higher education system does not change. Systems and institutions need the capacity to compete and deal effectively with these market forces.

These new competitive pressures bring both opportunity and danger. As the system becomes more structured by market forces, it is likely to be more responsive to the needs of society, more concerned with access, efficiency and quality. At the same time, as market forces come to play a larger role, they may also create a system that undercuts or diminishes key attributes of the system important to society, such as concern for the less advantaged, the introduction of students to the role of citizenship, or the role of the university as the home of unfettered research and open debate of critical issues in society.

The challenge for policymakers is to think about what society wants from higher education and how the power of market forces can move the system toward those goals, and then to design policies that will create an effective and thoughtful market-oriented system of higher education. The task is not to choose between market forces or regulation, but to combine and balance the two. A higher education system left to market forces, without a thoughtful plan, could result in:

- Limited access for low-income students, or students who are not “easy to educate,” and therefore require a higher investment of resources and funding and are less likely to return profit.
- A two-tiered system, with traditional, high-quality institutions reserved for the elite class and all other institutions serving the “nontraditional” or disadvantaged students.
- A decrease in the quality of offerings as institutions focus more on profitability and less on delivering a high-quality product, which is often quite expensive.
- Loss of those experiences and processes by which higher education stimulates the life of the mind and introduces students to the role of engaged, thoughtful citizen.
- Intrusion of market interests into the areas of research and scholarship.

- More homogenization of institutions as they conform to industry standards in an effort to compete, resulting in fewer educational alternatives for students.
- Closure of institutions, programs or disciplines that serve society well, satisfy a unique need, and provide students with real choice, but are expensive to run and are often cross-subsidized.

Market forces are extremely powerful. While there are dangers inherent in their presence, there is also the opportunity to put them to use. Via thoughtful policy alternatives, the higher education system can channel the power of market forces for the benefit of society. The telecom industry, provides a good example of policymakers allowing greater play of market forces while instituting some thoughtful policies in areas where the market would not work well.

In light of the current, unprecedented opportunity before us to capitalize on the new competition and market forces that have entered higher education, it is worthwhile to think about an ideal vision for the higher education system. The Futures Project has to craft a vision of a higher education system that offers opportunity for all individuals wishing to gain access to postsecondary learning on the one hand, and embraces as a core value the appreciation and promotion of diversity of students, faculty and staff, treats all of its participants equally, and creates a climate that supports all participants and pushes them to their fullest potential on the other.

The system should also offer a range of educational alternatives that are all of high quality and affordable. Higher education systems were designed to offer institutions, and states, many advantages, including efficiencies of scale, concentrated power and leverage, and free exchange of ideas. However, the reality is that institutions in a regulated system often get the disadvantages of regulation (e.g., inflexibility) without the intended gains (e.g., reduced duplication). Urgent need is to seek policies that would inject more autonomy into their systems and policies that might be used for this purpose include deregulation, decentralization, public corporations, privatization and encouragement of new providers.

## Regulating Higher education

The arguments over the regulation of higher education is needlessly convoluted. Descriptions of universities running from single rooms, colleges charging excessive fees, deserving students devoid of their dreams, lack of quality assurance, the apparition of foreign investment, have raised the cry for even more regulation of this sector.

Whenever it seems that the executive and legislature have abdicated their responsibility of sensibly regulating higher education in India the judiciary has, as always, had to step in, though they're not best suited for it and have sometimes exacerbated the problems rather than solving them.

There is a huge mismatch of supply and demand for higher education leaving students with very few choices, thereby allowing institutions to get away without being held to high standards of quality. Supply can only be increased if there is a huge infusion of funding into education from all kinds of sources - public, private, philanthropic and foreign.

Yet, perversely, current regulations serve to diminish rather than increase supply. Fee caps only tend to decrease supply further - if one can't recover costs, one might as well be doing something else. Rather than helping the poor, regulations end up hurting them since average fees won't fall if supply doesn't increase.

- The outcry against entry of foreign universities into India is hypocritical. When those who have the wealth and/or the talent can secede from the system to get themselves educated in good foreign universities, why should those who remain in India not have the same opportunity of getting an education from a good foreign university operating in India?
- We want to decrease fees, increase supply, but don't want to decrease the costs of providing education. Regulations are actually adding to the costs of supplying education - the costs of getting accreditation are too high.
- All of this results in adverse selection with genuine educationists deterred from investing to increase supply. Only those who can manipulate the system or curry favour are thriving - it is not surprising that a majority of private colleges are run by politicians.

It does not seem to be the job of the regulators to ensure that more/better institutions are established to increase the supply. Any regulatory body should not have the mindset of patronage and control of the existing institutions nor their job should be to convert existing institutions into deemed universities, by comprising the quality. That's not going to solve the problem of supply.

Two things can be done to help improve the supply both in terms of quantity and quality.

- The regulators should be given a target of increasing the supply by a certain amount each year and held accountable for delivering on that target.
- The regulator's job must be limited to that of regulation (drawing up the broad guidelines) and the job of accreditation (ensuring compliance with the regulations and rating the institutions on compliance) should be delinked from the regulator and given to an independent set of organisations. No one body should have a monopoly over accreditation (like the NAAC and NBA does today). If the rating agencies like CRISIL, ICRA and CARE are given the responsibility with healthy competition amongst them, and also independence from the regulator, it would ensure that the institutions are held to high quality standards.

## Assessing the Regulations

A characteristic weakness of regulatory regimes in India is that they concentrate on motives and intentions rather than on likely outcomes. Nowhere is this more the case than in education. While the legislatures have often designed regulation badly, the courts have compounded these fallacies. Just to take one example from a court decision, in *State of Andhra Pradesh v/s J.B. Education Society*, the Supreme Court held that the consent of the State government is necessary before starting an engineering college and the AICTE cannot grant approval without this consent. But one of the grounds on which this determination was made is surprising. The judgment says "the State authorities alone can decide about educational facilities and the needs of the locality. If there are more colleges in a particular area the state would not be justified in granting permission to one more college in that locality."

This is quite extraordinary. There may be good reasons to involve state governments in granting permissions, but this argument is premised on faulty logic many times over. Why are the Justices assuming that competition will not be good for the locality, both in terms of price and quality? What will be the effect of granting quasi-monopoly rights to the existing college? Isn't the agglomeration of institutions in a locality often a good thing for education? (Just think of Cambridge, Massachusetts). In case there is no government money involved, except for usual zoning considerations, why should the state exclude more colleges from coming up in a locality? This ruling is indicative of the rather unusual character of our regulations.

A regulation can be faulty, if it contemplates very little place for diversity of experiments. The requirement that all private colleges grant degrees through existing universities is, with rare exceptions, a real deterrent to innovation. And it damages the state system further because often universities pretty much put up for sale these affiliations. If the intent of this affiliation is quality control, then the intent has failed. In the debate over regulatory regimes one has to take into account the general balancing effects of a policy, as opposed to its specific equilibrium effects. Many of us find individual private colleges in Karnataka, and their policies, distasteful from a moral or educational point of view. But there is little doubt that the existence of the private colleges movement has helped bring dynamism to the economy of this state over the long run, whereas a state like Kerala, that has all other advantages, languished because of the diminished supply of higher education. Good policy sense is probably worth more to the economy than an easy moralism impervious to prudence.

The court relying on its own earlier judgment in *Tamil Nadu and Anr. v. Adhiyaman Educational and Research Institute*, the court has defined the power conferred on the UGC under item 66 List 1 as follows: "The expression 'coordination' used in Entry 66 of the Union List of the Seventh Schedule to the Constitution does not merely mean evaluation. It means harmonisation with a view to form a uniform pattern for a concerted action according to a certain design scheme or plan of development. It therefore includes action not only for the removal of disparities of standards, but also for the occurrence of such disparities."

It is difficult to understand what this means. If one takes the most obvious interpretation then this claim does not make too much sense. Higher education is fundamentally about distinction. What would an education system where there was no disparity of standards across institutions look like? The general goal should be that average quality of education improves. But to suppose that the UGC should be empowered to prevent all disparities across thousands of institutions is odd, to say the least. The only way disparities can be prevented from arising is by laying greater premium on the lowest common denominator. The main thrust of this argument is to prevent diversity of institutional forms. There is a need of all kinds of institutions catering to the need of different sections of the society. In effect we have confused the upholding of standards with standardisation. It is not an accident that among the key words the court uses in this judgment, the terms "uniformity" and "homogenisation" make their appearance at crucial points in the argument.

The doubt of diversity is also evident in the way the admissions are regulated. There are two genuine suspicions about admissions processes, namely, that they should not be too subjective, and they must not be based on criteria that are inappropriate to the educational mission of the institution. But our fear

of the exercise of discretionary power has led to a defective end: that we need simple and objective benchmark of merit, through uniform tests and exams, or single dimensional criterion. And the courts have seen these criteria as the only way an institution can signal non-arbitrariness.

The peculiarity of our move towards exams is that we renovate threshold benchmarks into the predominant criteria of admission. Standardised exams can and should be, at most one criterion that goes into determining admission. Whatever one's views on proper admission procedures, the central question remains: Why cannot institutions be granted autonomy over the academic criteria that determine whom they wish to educate? And again, different institutions, depending upon their objectives, will use different mixes of criteria. Fundamentally what our excessive fear of discretion boils down to is this: we do not trust individuals or institutions. *But then every tyranny insinuates itself by characterising society as untrustworthy.*

If we analyse The draft Bill — Private Professional Educational Institutions (Regulation of Admission and Fixation of Fee) Bill 2005 – This bill has a provision for reservation of seats. Private aided/unaided institutions would reserve seats for SCs/STs/socially, educationally and economically weaker sections in general category to such an extent as notified by the UGC. Deemed universities would have to reserve 50% seats for students of the state where it is located and for SCs/ STs /weaker sections as notified by the UGC.

The Bill not only strictly stipulates the management quota in such institutions but also lays down tough conditions for fixation of fee.

For instance, fee would be based on seven specific factors. Similarly, to deal with fly-by-night foreign education providers, the Bill stipulates tough conditions. Without meeting them, it would be difficult to do business.

But not all is lost for the Bill since the apex court does talk of a central legislation and recommends a number of measures which are already in the draft Bill.

The SC order is more in the nature of a clarification to the conflicting interpretation given by various high courts to the SC's 11-judge Bench order in the T M A Pai case and the five-judge Bench order in the Islamic Academy case. Moreover, the SC clarification, as CJI Lahoti said, relates only to unaided minority and non-minority educational institutions. The SC also did not agree with the petition filed by minority institutions which demanded freedom to devise the admission procedure and administer educational institutions. The apex court felt that the regulatory mechanism is aimed at protecting the interests of the student community as also the minorities. "Such regulations do not violate the right of the minorities under Article 30(1) of the Constitution," CJI Lahoti said.

# Regulations needed to build a Quality Institution

Any rational regulatory regime must acknowledge that the pressure to create quality has to come from many sources. As our experience shows, single centralised agencies, like the UGC and the AICTE, are colossal failures in terms of determining quality. This is so for a number of reasons: they do not have the requisite capacity, they are too formulaic in their approach, and the quality of staffing is poor. The UGC dare not, apart from exceptionally rare cases, sanction state universities, which is where the bulk of our students and the bulk of our problems reside. But in the process of designing regulatory regimes we have placed inordinate weight on the powers and procedures of these institutions.

An institution, public or private, is pressured to create quality by a number of factors. One clear source is the market, in the wide sense of the term. Unfortunately most institutions, particularly state institutions, are shielded from market discipline: if their graduates are unemployable we simply add more cheap degrees to absorb them. Degree inflation by itself suggests that the state has distorted the market. In very select areas, the market is all you need: if students are opting for an institution as a matter of choice, and potential employers or other institutions are willing to recruit these students, then you need little else. This simplest model works best for Management. The risks borne are largely private. It is not an accident that this area of professional study has most successfully rendered our regulatory regime irrelevant. Some well known institutions do not have AICTE approval, and it is not clear that in Management, it should even be necessary.

Other professional degrees, like law, medicine and engineering are different. The risks posed by unqualified professionals are graver, so they require regulation. But even in these spheres, we do not regulate at the right points. The public has an interest that a lawyer or a doctor be minimally qualified. Does a creaky accreditation process for institutions better ensure this quality? Or does really rigorous testing of the product better ensure it? We have concentrated all our energies on regulating institutions, by interfering in everything from their admissions policies to the amount of land they can possess, but not done the obvious thing, which is to have stringent licensing requirements in these professions, by testing individuals on the output side.

It will be far easier to devise and monitor very high quality tests for professionals before licenses are granted. Such a process will be fairer as well. It will test individuals, which, given the wide variations within institutions, is really important. It will enable professionals to set better standards for their own professions. And it ensures that the entire burden of quality control does not fall on an accreditation process. Obviously strict tests for licensing individual professionals will not do away with all imperatives to monitor institutions. But it will tackle the core objective of regulation better, by shifting focus from the number of rooms an institution has to the quality of their output.

We systematically abridge the power of all those forces that can help create genuine quality. For instance, we should rightly be worried about the fraud perpetrated by some institutions. But again, we have refused to enforce simpler solutions. For one thing, outright fraud, as say misrepresenting whether an institution is recognised or not, can probably be easily dealt with under various Consumer Protection

Acts. The irony is that the authorities have become prisoners of the courts' rhetoric, that education is not a "service" in the commercial sense. Therefore, some high courts and consumer fora have excluded education from the ambit of consumer protection, while a few have included it. Surely this is an area where the law can be clarified.

The second key in enforcing accountability is transparency. Again, our regulatory efforts have not concentrated on procuring for students the basic information they need. Instead of enforcing arcane regulations, why not have detailed audited statements of each institution made available to every student? And why not empower students by making the relevant information available to them: data like the educational profile of students entering the institution, etc? The thrust of regulation so far has been to give the statewide latitude in configuring institutions. It should instead shift to empowering students and parents to make informed choices. Rather than distrusting their capacities, it would be better to help them.

Two other sources help build quality. The first is professional self-regulation. Unfortunately, the political economy of all our professions — teaching, law, medicine — has taken effective power out of the hands of the best professionals. Reforming the internal architecture and incentives of these professions is important.

The second source is ensuring that the bulk of institutions are in the hands of people who are motivated by a pedagogic mission. It is fair to say that across the world, the best institutions are run by not-for-profit trusts, where the assumption is that extraneous considerations like profit do not determine the objective of the institutions. These institutions are shielded both from pressures of the state, and the short-term imperatives of commercialisation. India too has a proliferation of trust-run institutions, and outside the state system, these are some of our best-run institutions.

Again, the regulatory restrictions on trusts, such as investment and saving requirements, are such that they favour trusts that are governed by short-term goals over trusts that can strategise for the long haul. Is our regulatory structure favoring institutions that will not come to the field of education with the right kinds of incentives? We need to acknowledge this simple point: producing quality education requires work on a lot of different fronts. Simply clamoring for more UGC or AICTE intervention will not solve our problems. It may exacerbate them.

*Governments and other public authorities need to give the Institutions the support they need to fulfill their mission. Constantly squeezing the budget, demanding ever greater accountability, and insisting that the university fundamentally change its goals does not in the long run serve the public interest. The public must also respect the underlying values of higher education.*

# Education Promotion Society for India Specific Recommendations for Higher Education

# Introduction

The period 1947-2004 has witnessed considerable increase in Higher Education. As Higher Education expanded its problems and prospects have also increased and its relevance to development, especially to the socio-economic needs of society has increasingly become the issues of debate.

There is an urgent need for reform and revitalization to meet the socio-economic and political realities. The Government has also observed that “National strategy for education has to ensure the availability of highly educated, trained and motivated man power for dealing with the challenges. India has to compete with most advanced countries in many fields of production to holds its own position. Keeping in view these challenges and present deficiencies of the higher education system, it is imperative to suggest some measures for its reform and revitalization.

More so, the objectives of **10<sup>th</sup> plan** are to raise enrolment in Higher Education from 6% in 2002 to 10% by the plan period i.e. 2007. The strategic focus is on increasing access, quality, and adoption of state specific strategies and liberalization of the higher education system. Emphasis is laid on the relevance of the curriculum, vocationalization and net working in the use of Information & Technology. The Plan focuses on distance education convergence of formal, non-formal, distance and IT education institutions; “**increased private participation**” in the management of colleges and deemed Universities, research in frontier areas of knowledge; and meeting challenges in the area of internationalisation of Indian education.

## The Key Objectives, Issues and Focus of 10<sup>th</sup> Plan:

### Key Objectives

- continuing focus on increasing the intake in the technical and management education; and
- quality of education including research in technology.

### Key issues

- Use of technology for the development of Indian languages;
- upgrading pedagogical skills;
- promoting educational development;
- mainstreaming of minorities; and
- education in human value.

### Other issues

- faculty development;
- optimal utilization of resources through net working;
- development of IT and IT enabled education;
- modernization of curriculum;

- international bench marking;
- developing capacity in new and emerging technology areas,
- strategic planning and management of technical education system;
- and developing the informal sector.

## Focus

- encouraging research in the higher education system;
- providing training and consultancy services;
- strengthening the strategic machinery of the Centre, States and Union Territories;
- equalizing educational opportunities for the disadvantaged;
- educational development of North Eastern region;
- India's interface with UNESCO;
- international co-operation in the field of education;
- operationalization of educational exchange programmes; and
- encouraging Indian educational abroad

Over-all the 10<sup>th</sup> plan emphasizes that higher education whether in the general or in technical stream, must have links with all national goals and endeavors. A large number of centers of excellence to turn out quality man power in areas relevant to industry and society need to be established with triangular partnership of the **academia, the industry and the Government**. It is necessary to make the accreditation process more transparent, time bound and free from the regime of controls to ensure quality of education. Modernisation of syllabi, examination reforms and governance of Universities and colleges requires urgent attention. These can be achieved through proper, issue-specific area-specific and time-bound planning, which needs to be adjusted with resource management and manpower planning.

## EPSI's recommendation

Keeping these issues in perspective EPSI's recommendations are as follows.

- Privatization is a world wide phenomena and a careful perusal of the happenings in the arena of higher education demonstrate that new private providers may enhance the capacity to meet the unmet aspirations of the people in the regime of declining state budget, if certain conditions are met with the paradigm change in the development policy. Hence Private participation in the financing and management of higher education should be encouraged to bring about efficiency in the system and make it more effective and relevant.
  - 1) Need for having a Parliament Act for the establishment of a Private University (a Model Act of Private University)
  - 2) This Act can make provisions for the State government to establish Private University through their legislature provided they fulfill all provisions mentioned in the above Act.
  - 3) To amend the existing university Acts and Statutes to free them from the constraints of jurisdiction imposed on them, however the provision of the State university to serve the

region and state is necessary but allow them to operate on a global platform.

- 4) Parliament to review all existing central university Acts and enable them to operate at global level
- 5) With proper encouragement given to the establishment of private universities we will be introducing in India the successful model of the university system where government-funded universities and self-financing universities can co-exist and become partners in strengthening the higher education system. Such University System has been successfully working in other countries (USA, UK, Canada, Australia and Western Europe etc.), for the last several decades. For instance, in USA, several leading universities like Harvard, Stanford, Chicago, Princeton, Yale, Northwestern etc are all private universities.
- 6) The status of government universities and private universities is the same under Indian law. Accordingly it is important that the regulation of both types government and private, should be at par.
- 7) A level playing field can be provided to the government and the private universities and performance of these universities must be measured from time to time.
- 8) By establishing private universities, the state will be in a position to provide good quality education with least or no financial assistance from the government. In the government funded universities, the state can promote more self financed courses, and encourage industry-based consultancy and research so that the government funded universities become self sufficient over a period of time.
- 9) Benefit: Private universities will create a healthy competition among themselves so that students will have a choice of programmes and also of universities. This may lead to better quality of education eventually to lower cost of education. The students will be able to know which university is doing well and which university is not, based on different objective.

## Need for an Independent Accreditation Body

National Policy on Education 1986 provided the provision for establishment of National Accreditation body for the maintenance and quality of Higher and Technical Education.

UGC and AICTE Act provides for the establishment of Accreditation bodies. Accordingly bodies like NAAC and NBA have been established by UGC and AICTE respectively.

Over the last (almost 20 years) the impacts of accreditation process have been very marginal. This calls for a serious review of the provisions made so far.

- 1) The accreditation process must have total participation of all the stakeholders namely Academia, Industry and Society at large. Academia for the proper maintenance of standards of Education; Industry for utilization of resources of the society; and Society for the economic well being of the educational system
- 2) It is estimated that hardly 10 – 15% of the total Higher and Technical Education System have gone through the Accreditation process because of inadequate infrastructure facility and possibly because of inadequate participation of all the stakeholders

- 3) Since the Higher Education has to compete and fulfill the needs of economic sectors competitively and by responding to the market forces it is in our considerable opinion that the Hon' able Parliament may recommend for the establishment of independent Accreditation body established jointly by the stake holders which will be full-fledged at Regional and Sub-Regional Center.
  - 4) The criteria and norms created by these Independent (proposed) Accreditation bodies should meet the minimum thresh-hold as recommended by UGC/AICTE and should meet the international standards on the other hand.
  - 5) The institution, which excels in obtaining Accreditation, should be encouraged to levy higher tuition fees from those who can effort, compared to those who do not receive Accreditation. This would not mean to eliminate the responsibility of all other Higher Education Institutions from providing adequate facilities for loans and scholarships as and when needed.
  - 6) All institutes of higher learning must make public the acceptability of their courses and degrees. (i.e. the status, recognition and acceptability of their courses by other institutions)
  - 7) Any misrepresentation of facts to the general public, should make the institute and its promoters, directors, and staff liable for civil prosecution.
- An educational rating agency can help to address this problem. Just as CRISIL (started in 1987) and ICRA (started in 1991) saw the need for an independent and professional credit rating outfit to provide investors and creditors with information on various companies and the risks involved, an Educational Rating Agency can do the same.
  - The National Assessment and Accreditation Council (NAAC) is supposed to rate higher education institutions affiliated to the UGC. The NAAC has developed a grading system on a scale of A++ (the best) to C (the worst).
  - This is better done by private sector organisations than one single government backed organisation, even if the government-backed organisation is supposedly autonomous. Competing private sector educational rating agencies would be concerned about their own reputation and would be very careful about the kinds of ratings they dole out and are less likely to be influenced by the managements of the institutions into providing favourable ratings. The ultimate metric of how potential employers look at the graduates of an institution, would also figure prominently in the rating process - something that the NAAC doesn't seem to worry about.
  - The financial sector has shown the way and we need to learn from their model, how the private rating agencies got started, the impact that they have had and continue to have in forcing companies to improve their financial management and reporting.
  - One of Government's biggest concerns in education seems to be a feeling that the private sector would cheat the public if there were no government regulation of the education sector and "profiteer" if allowed to run educational institutions for profit. This concern is true for other sectors like the Non Banking Financial Companies (NBFC) or for that matter even for all public limited companies that attempt to raise funds from the capital markets. But a combination of regulation (by SEBI, RBI etc.) and rating (by private agencies like Crisil, ICRA etc.) seems to have worked reasonably well with the regulation and rating processes themselves getting better and better over time. There is no reason why this can't be implemented in the education sector too.

**Benefit:** An Educational Accreditation and Grading/rating Agency for both non-professional and professional education would help the students and the employers in making informed choices about the quality of education in each institution. Any interested private party should be allowed to set up an independent Accreditation Agency. It can also be mentioned that the Accreditation Agencies will be paid by the institutions it accredits, they will be able to function independently and accredit institutions objectively since each Agency will value its reputation and credibility.

It should be made mandatory for all universities and educational institutions (both public and private) to get themselves accredited by an Educational-accrediting Agency. This will ensure that all fly-by-night operators like those who exploited the Chattisgarh legislation will have no chance to cheat the public and this will also put pressure on the public universities and force them to work towards all-round improvement. It will generate healthy competition amongst all the universities. Most importantly it will eliminate the Regulator's control on the accrediting process.

There is a sizeable business opportunity for Educational accrediting Agencies, given the size of the higher education sector and its rapid growth.

## Financing of Higher and Technical Education

There is need for increasing financial inputs for higher education. Currently the Government is also subsidizing the higher education by charging low fees to those who can pay. The cost of higher education is not being met by the educational institutions themselves (because of subsidy and fee restrictions). There is also a severe mismatch in the costing at school level and higher education level. There is no single solution for educational affordability as every circumstance will be unique. However, a number of solutions exists which together can solve this problem.

This will necessitate:

- (a) Objective assessment of needs of university institutions.
- (b) Larger resources should come from community/Industry
- (c) UGC should rationalize its pattern of funding based on regional needs and quality of education.

There is need for mobilizing community resources. The following measures are suggested

- a) Fees should have some economic relationship with costs of education; 'differential' fee system based on the paying capacity of students should be introduced.
- b) The industry, being the direct beneficiary of higher education, should contribute to educational development.
- c) An Educational Development Bank (EDB) should be set-up with equity capital from Central/ State Government and NRIs

- d) Student welfare programmes should be given priority. The present scheme of providing loans to students should be streamlined and made facilitating. Instead of charging low fees from universities/Institutions, the Government should create a separate bank (Education Development Bank) to give soft interest loans to students on pre-defined criteria such as, on an understanding that once the students start paying Income Tax or they leave the country, these loans will become payable. This will bring accountability in the educational system.
- e) Efforts to be made to raise resources for non-traditional sources such as industries and other commercial concerns, which are making use of the highly qualified and trained manpower produced by the institutions of higher education.
- f) The funds from industries and other business houses could be tapped by (a) Introducing courses of studies and training programmes that are relevant to the needs of industries for increasing productivity; and (b) undertaking consultancy research projects, the finding of which could increase the profitability of the industrial sector
- g) Encourage public and private sector enterprises to sponsor a specified number of students, especially in technical and professional fields, whom they can employ after graduation
- h) University should establish an Alumni association and get as many of its former students engaged in mobilising resources for the university. A detailed project should be prepared in this connection and implemented with vigour and enthusiasm. Models of such a project would be available from some of the leading universities of the USA such as Harvard. By and large the governance of higher education institutions should be largely participated by the alumni who have concerns about their alma mater.
- i) Every University should create a Corpus Fund into which should go all donations, voluntary contributions etc. The Fund should be deposited in fixed deposit and only interest be drawn from it for development purpose
- j) Our MPs and MLAs get sizeable annual fund for development. They should be persuaded to contribute a portion of it to the university
- k) The need for mobilisation of resources from external sources should also be explored. Liberalize the existing procedures, to Facilitate the inflow of foreign funds
- l) Universities can start special job-oriented skill-oriented certificate or diploma courses in the mornings and evenings for the benefit of young and old. These courses should serve the purpose of life-long education and will bring financial benefit to the university
- m) Few universities in India have publishing programme. Some of the leading universities in the West earn enormous amount from their publishing activities. If a university is a store house of knowledge, it should disseminate it through its publications. If properly organized it could become a rich source of income.
- n) Universities can rent their premises on rent for social and public functions
- o) Universities should also take the initiative to promote educational tourism

# Promotion of Socially relevant Education Programme

- Vocational streams have to be developed and expanded to equip larger numbers of high school students with occupation-related knowledge and skills.
- A comprehensive strategy is needed to enhance the nation's employable skills. It must begin by preparing a catalogue of the entire range of vocational skills needed to support the development of the country.
- The network of vocational training institutes and the range of vocational skills taught needs to be expanded substantially to impart those skills for which institutional training is most suitable.
- The private sector, which promoted the rapid proliferation of computer training institutes throughout the country, should be encouraged to recognise the commercial potential of vocational training in many other fields.
- A national network of community colleges, similar to the highly successful American system, is needed to provide knowledge and job-oriented skills to millions of young people who lack interest in or capacity for more stringent academic studies.
- Programme to introduce a career & market oriented skill enhancing add-on courses that have utility for job, self-employment and empowerment of the students.