

Research article

# RESOURCE INADEQUACY, QUALITY DEFICIT AND POLICY OPACITY: ROAD AHEAD FOR HIGHER EDUCATION IN INDIA

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## Abstract

The challenge of higher education in India is not merely to improve Gross Enrolment Ratio (GER) from 16.8% to 25% by 2017 but to foster quality research and S&T for higher employability for Indians in the global space. India after liberalization has witnessed several pioneering initiatives in improving accessibility through Sarva Sikshya Abhiyan (SSA) and massive involvement of the private sector in technical education. However infrastructural deficit of State universities and quality shortfall in terms of research and publication has led to constitution of several commissions. The paper brings out the trend of resource allocation and its inadequacy while flagging elitism in allocation. The different elements of quality shortfall in terms of quality of research papers and patents compared to global standards and lack of policy clarity have been brought out keeping in the backdrop of various committee and commission who have try address the concerns of access, equity and quality. The paper fervently argues for reorientation in policy initiatives like a more pragmatic Foreign Direct Investment (FDI) policy & Public Private Partnership (PPP) model, free recovery mechanism and most importantly a more responsive regulatory authority (IRAHE) to realize the objective of establishing world class universities while improving the Human Development Index (HDI) for India. **Copyright © WJER, all rights reserved.**

**Keywords:** GER, SSA FDI, HDI, PPP, IRAHE

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## Introduction

India's higher education sector is today adrift. **Resource Inadequacy, Quality Deficit and Policy Opacity** seriously compromising on the employability of students studying in India's 35,000 undergraduate colleges and 700 universities. Although some of these institutions especially the universities of Bombay, Calcutta and Madras were established in 1857 and India has to its credit a number of IITs and IIMs whose students straddle the space of prestigious foreign universities, not even one Indian university (IITs included) has ever been ranked among the Top 200 in the World University Rankings published annually by the highly-respected London-based rating agencies Quacquarelli Symonds (QS) and Times Higher Education (THE).

*The paper examines*

- The trend of resource allocation, resource inadequacy and elitism in allocation
- Areas of quality deficit and policy opacity
- Road map to improve quality and employability of Indian students in high skill global jobs

### The trend of resource allocation, resource inadequacy and elitism in allocation

It would be seen from the table below that the increase in allocation is barely 11% this year compared to the last year. If we discount the inflationary impact the real increase is only 3%.

**Table-1:** Allocation to Higher Education in Rs. Crore

	2012-13 (Actual)	2013-14		% of Change	2014-15 (BE)	% of Change
		BE	(RE)			
General Education	11878	15693	14539	+22.4	14637	0.6
Technical Education	8513	9390	8441	-0.9	9463	12.1
Distance Education	354	448	186	-48	593	318.8
Total	20423	26750	24885	21.8	27656	+11.1

*Source: India Budget 2014-2015*

Further the major programmes like RUSA have been completely starved up funding this financial year. TEQIP a collaborative programme with World Bank to bolster technical and management education in the state universities shows a very insignificant increase this year.

**Table-2:** Allocation against Major Programmes

Programme	2012-13 (Actual)	2013-14 (RE)	% of Change	2014-15 (BE)	% of Change
RUSA	-	240	-	-	-
TEQIP	188.6	433	229.5	450	3.9
Technical Education Quality Improvement Project of (EAP)	88.3	110	-	80	27.2
Consortium for Higher Education & Technical Resource (CHEERS)	-	-	-	202.5	-
Financial Aid	115.4	195.2	69.1	232.6	19.1
(a) Interest Subsidy	-	1722	-	2081	20
(b) Scholarship	115.4	230	99.3	248	7.8

*Source: India Budget 2014-2015*

The state universities account for 50% of our universities, however most of them are deprived of even shoe string budget reflecting abysmally poor infrastructure, non existence research activity and poor faculty. However the elite institutions like IITs and IIMs consistently get adequate funding support from the planning commission and the government as would the following table reveal.

**Table-3:** Allocation to Elite Institutions

Institution	2012-13	2013-14 (BE) (RE)	% of Change	2014-15 (BE) Increase
IITs	2647	3670	3628	3896
IIMs	110	369	233	275
IIS & IISER	905	1092	1046	106

Source: India Budget 2014-2015

Besides the central university like Delhi University, JNU, AMU and BHU consistently receive a prime share of central allocation revealing clear elitism in our allocational approach.

The following tables bring out the low level of human development index in India compared to developed countries what is particularly disconcerting is the low level of public expenditure on education and gross enrolment ratio in higher education compared to these first world countries.

**Table-4:** GER, HDI & public expenditure % on education

Country	GNI	HDI	GER	Mean Year of Schooling	Public Expenditure as % of GDP
USA	52308	0.914	95%	12.6	5.6
UK	35002	0.892	61%	12.3	5.6
Germany	43409	0.91	57%	12.9	5.1
Japan	36747	0.89	60%	11.3	5.6
France	36629	0.88	51%	11.1	3.8
Russia	22617	0.778	75%	11.7	5.9
Korea	30345	0.89	100%	11.8	4.1
China	4477	0.79	35%	7.5	3.7
India	5150	0.586	23%	4.4	3.3

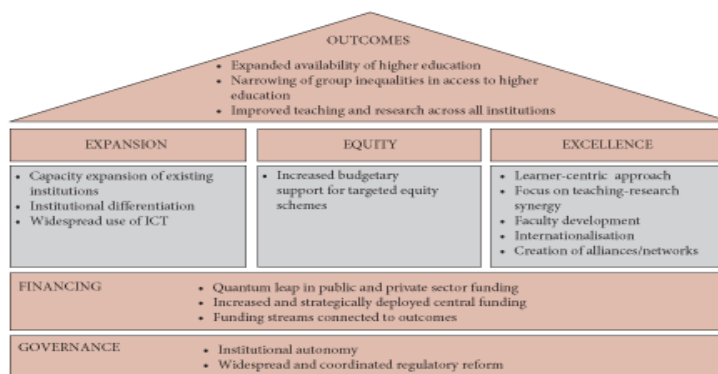
Source: HDR -2014

The above tables clearly bring out that on a historical trend our allocation to education has been around 3% of GDP just as Prof. Raj Krishna mentioned about the hindu rate of growth for India in the 1970s. This is surprising since the Kothari Commission had recommended 6% as an allocation for education. The subsequent committees like the Knowledge Commission & Narayan Murthy Committee have also recommended similar hike in our GDP allocation.

### Areas of quality deficit and policy opacity

The planning commission has generally set the tone for the quality template for higher education in India. For instance during the 12<sup>th</sup> plan it has identified equity, access and excellence as the three corner stone of higher education paradigm for India as the following would reveal

**Figure-1:** Strategy Framework of 12<sup>th</sup> Plan



Source: 12<sup>th</sup> Five Year Plan 2012-2017, Social Sectors Volume-III, Planning Commission, Govt. of India, Page

On the quality issue the specific recommendations are tabulated below-

**Table-5:** Quality issue in higher education: 12<sup>th</sup> plan document

<ul style="list-style-type: none"> <li>• A shift from input centric pedagogical approach to learner centric approach</li> <li>• Ensure availability, recruitment and retention of qualified people to meet the growing need for quality faculty</li> <li>• Upgrade skills of existing faculty, facilitate translation of academic research into innovation for practical use in society</li> <li>• Promote internationalization and creation of consortia of academic institutions.</li> </ul>
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From Kothari Commission to the National Policy on Education (1966 to 1992) the thrust was to bolster science and technology and research, foster integration amongst the states and union and provide equal access to all section of the society by taking special majors and encouraging open distance learning. The recommendations can be summed up as under

**Table-6:** Summary of Recommendations for Higher Education

<ul style="list-style-type: none"> <li>• Kothari Commission (1966): Improve productivity; Treat science as a basic component in education and Improve research in S&amp;T</li> <li>• NPE (1986): Greater role in reinforcing integrative character of research and advanced study and international aspects of Education and Cultural development</li> <li>• NPE (1992): Facilitate Inter Regional mobility by providing equal access to every Indian. In R&amp;D, S&amp;T special measures to establish network arrangement between different institutions in the country to pool their resources.</li> </ul>
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*Source: Higher Education-1: From Kothari Commission to Pitroda Commission by Pawan Agarwal - Economic and Political Weekly February 17, 2007*

Subsequently the three reports after liberalization of Indian economy have emphasised the role of private sector in higher education, need for an independent regulatory authority, establishing world class universities through the public private partnership mode and giving industry oriented thrust to the academic curriculum of the universities. The industry association have also endorsed the approach. The recommendations can be summed up as under

**Table-7:** Overview of Industry and National Commission Perspective (2000-2013)

<b>Ambani-Birla Report (2000)</b>	<b>Knowledge Commission (2009)</b>	<b>NMR (2012)</b>	<b>FICCI (2013)</b>
<ul style="list-style-type: none"> <li>• Private University Bill in Science &amp; Technology &amp; Management</li> <li>• Role for UGC in General Education &amp; Liberal Arts only</li> <li>• FDI, Limited to Science &amp; Technology &amp; Management</li> <li>• Use-Pay policy</li> <li>• Loan scheme to be increased</li> <li>• Increase Government grants</li> <li>• Existing centres of excellence to establish international centres</li> <li>• Required investment in</li> </ul>	<ul style="list-style-type: none"> <li>• Independent Regulatory authority (IRAHE)</li> <li>• Well funded Scholarship Schemes</li> <li>• Improve Maths &amp; Science knowledge</li> <li>• Create National ICT infrastructure for ODL</li> <li>• Leverage global open education sources</li> <li>• 50 national universities</li> <li>• World class IPR infrastructure</li> <li>• National science &amp; social science fund</li> <li>• +1.5% more</li> </ul>	<ul style="list-style-type: none"> <li>• Collaborate with top class universities</li> <li>• 20 world class universities</li> <li>• 75 to class universities</li> <li>• CIHEC (PPP)</li> <li>• Land, connectivity support by government</li> <li>• Emphasis on Research &amp; faculty development</li> <li>• Improve employability</li> <li>• 40000 Cr</li> </ul>	<ul style="list-style-type: none"> <li>• Multi-dimensional, industry oriented course</li> <li>• Internationalization of education</li> <li>• Flexible faculty recruitment/ incentivize recruitment</li> <li>• Merit based student financing</li> <li>• New pedagogic techniques</li> <li>• Incentivize PPP/Fiscal incentives</li> <li>• Competitive access to public research grants</li> <li>• Simplify regulatory requirements</li> </ul>

education (1.5 lakh crore) recurring + 0.89 lakh crore capital expenditure): 2015	allocation by government for higher education	Investment PPP, 50:50	• Improve Employability
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The western countries USA, Japan, Korea, China and even Israel have achieved significant spurt in their exports and global presence in manufacturing and the service sectors. In particular China and Korea who were of the same economic levels of India in early 1950s have inched significantly forward compared to India because of better industry academic collaboration, quality of research and patents granted. The following table bring out the details

**Table-8:** Trends of Research & Patents Globally

Country	Quality of Research Institutions	Industry Collaboration	PCT Patents Granted/(Million)
USA	5.8	5.6	137.9
Brazil	4.1	4.1	2.8
South Korea	4.9	4.7	161.1
China	4.2	4.4	6.5
India	4.4	3.8	1.2

Further a comparison of the highly cited articles in India compared to China and USA reiterate the above trend.

**Table-9:** Education Sector: Publication Trends

Year	India		China		USA	
	Publication	Highly Cited Article	Publication	Highly Cited Article	Publication	Highly Cited Article
2001	15522	103	25730	174	150817	2894
2011	36456	191	122672	980	184253	3137

*Source: YuXie Chunni Zhang et al at National Academy of Sciences, 2014*

It is therefore essential that the allocation towards research and development have to substantially if we want to have a significant presence globally in terms of relevant publication and patents. The position of R&D expenditure is tabulated below-

**Table-10:** Research &Development Expenditure Globally

Country	R&D Expenditure
USA	2.9
Germany	2.8
Japan	3.4
Korea	3.7
Brazil	1.2
China	1.7
India	0.8

*Source: HDR-2014*

### Road map to improve quality and employability of Indian students in high skill global jobs

As the preceding para would show, to improve employability potential of Indians in high skill global jobs the government's commitment towards education as a merit good has to be substantially improved. While the new government has impressed on the need for the Make India and improved India's manufacturing based the initiatives so far taken to improve the quality of our education particularly in the state universities and private universities leave a lot to be desired. The thrust of the UGC seems to be increase access i.e. to improve GER from 16.8% to 25% by 2017. However there is no indication how the quality matrix would be ramped up in the years to follow. The issues that need to be specifically addressed besides adequate allocation are (a) our FDI

policy (b) the road map for public private partnership (c) improving the regulatory framework and (d) allowing universities greater freedom in terms of fee collection.

### **FDI in Higher Education**

The discerning view based on global experience is that FDI in higher education will bring in quality programmes from foreign universities of repute and will improve market orientation. So far the education sector has attracted only 0.8% of total FDI which has come to India. This is largely due to the regulatory hurdle being put by both UGC and the AICTE. India needs to have proper MOU with reputed foreign universities which will ensure exchange of good faculty and academic material. **During 2013-2014 & 2014-2015, however, the HRD Ministry came-up with Results Framework Document (RFD) which have setup the following targets- Realize India's Human Resource Potential to its fullest with equity and excellence.** Greater opportunity for access to vulnerable sections. Expand access by supporting existing institutions, establish new institutions, supporting state government and non-government organization to supplement public effort. Encourage Research and Innovation. **Promote quality by investing in infrastructure and faculty and promoting academic freedom.**

### **Public Private Partnership (PPP)**

Sectors like telecom, airports, national highways and power have witnessed significant progress through Public Private Partnership models and have brought in significant FDI inflow into the country. During the 12<sup>th</sup> plan an investment of one trillion dollar is proposed through a PPP route within the ratio of 50:50. While economic infrastructure is very high on government agenda the social infrastructure like education which is a vital complement to overall economic growth has been given a short shrift.

It would be worthwhile to draw experience of other countries like Sweden, Germany, Singapore & China where the PPP model has worked wonders. The key success factors have been agreement on shared objectives from the beginning of the partnership and political will for participation of the private sector, transparency and accountability within the PPP. Sweden has regarded higher education as a 'merit good' and has a long tradition of substantial public spending. It has substantive relationship with the private sector which includes sharing of roles, responsibility, risks and rewards. In Germany, public commitment to take most risks has encouraged many small private enterprises to participate in the PPP model. Such models have important lessons for India.

### **Regulatory Mechanism**

The Yashpal Committee and Knowledge Commission have strongly recommended for establishment of an autonomous overarching National Commission for Higher Education and Research for prescribing standards of academic quality and defining policies for advancement of knowledge in higher educational institutions.

There is a near unanimity in view that existing regulatory control by UGC, created under Act of 1956 is not lending itself to quality improvement flexibility in charging fees, offering reasonable remuneration to teachers & finalization of curriculum of either public or private universities. UGC's primordial concern is with central and elite universities like DU, JNU etc. This has to be abdicated in favour of a regulatory mechanism which is academically less asphyxiating. Arvind Panagariya (2012) makes a powerful plea against such frustrating control mechanism of UGC and recommends privatization to bring quality improvement. The system of accreditation and quality of programs under Open Distance Learning must be monitored by an independent regulatory authority. It is a pity that the present government has not accepted the recommendation of the Knowledge Commission to have independent regulatory commission for higher education and would instead try to tweak the framework of the existing UGC.

### **Not for Profit**

This debate has gone to the Supreme Court which has constantly castigated any tendency to commercial education. The 12<sup>th</sup> plan, however makes a strong pitch for this by amending Section 25 of Indian Company Act (1956). Sudhansu Bhusan in an article has brought out the dichotomy in judicial thinking and need for pragmatism in terms of charging of fees in colleges/universities to improve infrastructure and academic content this issue needs to be revisited by a Committee of Experts.

## Conclusion

It was Martin Luther King Jr. who had said that “Human progress is neither automatic nor inevitable”. The remarkable contribution of science and technology in the 20<sup>th</sup> century and the hyper connectivity of recent times are testimony to the substantial investment made by government and private sector in higher education in USA and European Countries, Japan, Korea and China. Prof. Amartya Sen has been constantly clamouring for substantially higher public allocation to education 6% of GDP as against around 3% on a historical basis in India. Japan which is a manufacturing power house was investing handsomely (around 43% of their budget) even during MEJI Era (1868-1902). Similar has been the approach of South Korea and China who has become global manufacturing power house in the 1990s. There is a clear elitist approach in the various reports submitted to the government on higher education. Development has to be dispersed instead of getting confined to a few elite universities/institutions only. Since State Universities constitute nearly 50% of the total number and critically deficient of allocation, infrastructure and quality, there is a need for Big Push. The proposed setting up world class universities should provide the requisite handholding support and synergy to State and Private Universities in the matter of exchange of faculty, research, quality academic material and training. As Jeffery Sachs observes in the context of USA, **“Our greatest national illusion is that a healthy society can be organized around the mindless pursuit of wealth”**. India needs to invest significantly more in the education, clear the cobwebs in its policy postulation in order to bridge the quality chasm which pervades the higher education sector. It’s a pity that the new dispensation has not heeded the eminently reasonable recommendations of the Knowledge Commission to look for an independent regulatory authority (IRAHE) for higher education.

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