

# Recent Trends in Indian Higher Education System

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**Abstract**—The growth in the system of higher education in India has been impressive over the years. There has been an increasing trend, both in the number of private higher education institutions and enrolments in recent years. The share of enrolment in private unaided higher education institutions has also gone up. Despite the growth in number of higher education institutions, higher education in India is seriously challenged in terms of access. The higher education sector in India currently faces challenges of expansion, excellence and inclusion. There exist rural and urban disparities, gender disparities, inter- religious group disparities, inter- state variations, disparities among social groups within religion, inter- caste disparities and disparities among income groups as well as occupation groups. The pattern of public spending on education has been a major reason for limiting the scope of educational participation for the weaker sections. Since the 1990's there has been a steady decline in the budgetary allocations made by the government to fund higher education in India. The various models of Public- Private Partnership (PPP) are being explored in the Twelfth Five Year Plan Period (2012-17). This paper explores the recent trends in the Indian higher education system.

**Keywords**— Access, Equity, Higher Education in India, Public Expenditure, Public- Private Partnership

## I. ACCESS IN INDIAN HIGHER EDUCATION

The higher education system in India is the third largest in the world after China and the United States of America. From less than a hundred thousand students in about thirty universities and five hundred colleges at the time of independence, Indian higher education presently includes 633 universities, 67 institutes of National Importance and other university level institutions and 36,239 colleges (UGC Higher Education at a Glance, 2013). The growth in the system of higher education in India has been impressive over the years. It can be attributed to a significant increase in the number of universities and colleges, enrolment of students in terms of Gross Enrolment Ratio (GER), enrolment of students at various levels of higher education and for various faculties and disciplines, enrolment of girls, Scheduled Castes (SC's) and Scheduled Tribes (ST's), number of teachers at various levels of higher education, and number of students engaged in research. There has been an increasing trend, both in the number of private higher education institutions and enrolments in recent years. The share of enrolment in private unaided higher education institutions has also gone up.

The access to higher education is generally measured by the Gross Enrolment Ratio (GER) in higher education. Despite the growth in number of higher education institutions, higher education in India is seriously challenged in terms of access (Chitnis, 2002). The benefits of higher education in India still remain outside the reach of a vast majority of the people (Beteille, 2008). The higher education sector in India currently faces challenges of expansion, excellence and inclusion. In its Twelfth Five Year document, the University Grants Commission (UGC) observed that: *Considerable challenges still remain despite significant increase in enrolment levels and reduction in overall social group disparities. Access to higher education is still less than the minimum international threshold levels, distribution of institutions is skewed, enrolment in public universities is*

*largely concentrated in the conventional disciplines whereas in the private self-financed institutions, the student enrolment is overwhelmingly in the market-driven disciplines (UGC Twelfth Plan Paper, 2012-17, p.1-2).* It has been envisaged that under the national programme 'Rashtriya Uchchatar Shiksha Abhiyan (RUSA)' the aim would be to achieve a national level Gross Enrolment Ratio (GER) of 25 per cent by the end of the plan in 2017 (ibid.) and to 30 per cent by the year 2030 (MHRD Annual Report, 2011-12).

## II. EQUITY IN INDIAN HIGHER EDUCATION

"Growth with equity is considered as one of the objectives of planning in many developing countries. Equity without growth is a stagnant cesspool, wherein only misery, ignorance, obscurantism and superstition can be equally distributed. Growth without equity leads to the accentuation of structural disequilibrium and, chronic persistence of low purchasing power of the mass of the toiling people constrains growth itself" (Raza & Premi, 1987, p.1). Thus, a concern for equity in education is not only a moral commitment but also important for nation building. 'Equity' is quite often used interchangeably with the term 'equality'. Though all human beings are not equal in every respect but they should be treated equal in relevant aspects of life. In fact, they should be treated differently in those respects where they are, unequal. Since inequalities exist in the access to education, it would not be justified to treat the beneficiaries of education equally, as "equal treatment of the unequals is an insidious way of perpetuating inequality" (Tilak & Varghese, 1985, p.8). In higher education "equity implies the ability of being fair and impartial to the brightest students" so that they may study in the best of universities, regardless of their socio- economic backgrounds (Aggarwal, 2009, p. 51). Equity in education is necessary as it contributes to the long term development of the country. If equity is not addressed to it would perpetuate ideas and world views in favour of the privileged groups, create

stereotypes and prejudices, skew the resources of the country in favour of the wealthy and politically influential, limit the upward mobility for certain groups and this inequality may get reproduced over several generations, thus leading to “inequality traps” of hopelessness and underachievement among the marginalized (The World Bank, 2006).

India has committed itself to be an egalitarian society where equality in general and equality of opportunity in particular is accepted as a constitutional obligation of the state. There are several provisions in the Indian Constitution concerning equity in education. Following the spirit of the Constitution, a number of policies and programmes have been initiated by the Government of India to promote equity in education with respect to the marginalized groups. Despite the rapid expansion, the Indian higher education is inequitable on both traditional (based on caste and gender) and modern (class and region) axes (Deshpande, 2012). There exist rural and urban disparities; gender disparities; inter- religious group disparities; inter- state variations; disparities among social groups within religion; inter- caste disparities and disparities among income groups as well as occupation groups (Aggarwal, 2009, p.51-52). The pattern of public spending on education has been a major reason for limiting the scope of educational participation for the weaker sections. In order to promote social inclusion in higher education, the Government of India has been following the policy of affirmative action through reservations, i.e. managing quotas on the basis of caste and community. Despite reservations being the mainstay of Indian programmes for social redress, benefits especially in higher education have accrued to the mainstream (largely the upper castes) ‘creamy layer’ (Deshpande, 2012).

Private higher education in India has been ‘demand-absorbing’ and has contributed a significant share to enhance access to higher education in the country (Levy, 2008, p.18).

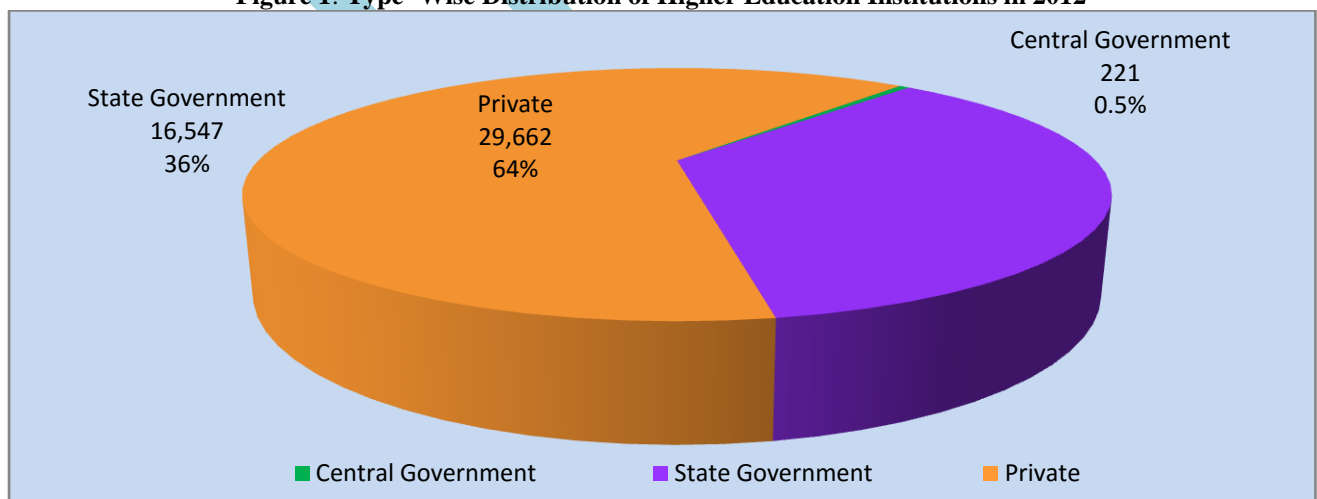
However, it has worsened equity by making higher education unaffordable for the poorer groups especially the lower castes and Muslims. By promoting professional and technical education, it has made the disadvantaged groups further disadvantaged. On the whole, it has been found that the Muslim minorities do not benefit from affirmative action even though they are lagging behind the other disadvantaged groups in higher education.

### III. PRIVATIZATION OF INDIAN HIGHER EDUCATION

Privatization in India has taken three forms– firstly, as the establishment of (new) private institutions by private trusts and bodies; secondly, by privatization of existing institutions through the transfer of management from the government to private trusts, and finally, through financial privatization which means reduction in government support to aided institutions compelling the managements to recover the costs from students directly through fees and launching fund-raising self-financing courses, usually in the professional and technical fields (Power & Bhalla, 2004; Tilak 2008).

In India, some kind of private system of education existed even during the ancient and medieval period. After independence in 1947, private education continued to co-exist with the state sector but private higher education remained peripheral and public education remained dominant with a very few exceptions. At the turn of the twenty-first century private higher education developed as one of the most dynamic and fastest-growing segments of post-secondary education (Altbach, 1999). Various types of private higher education came into existence in India at different points of time in the form of private institutions, private-aided institutions, self financing institutions, private universities and deemed universities.

**Figure 1: Type -Wise Distribution of Higher Education Institutions in 2012**

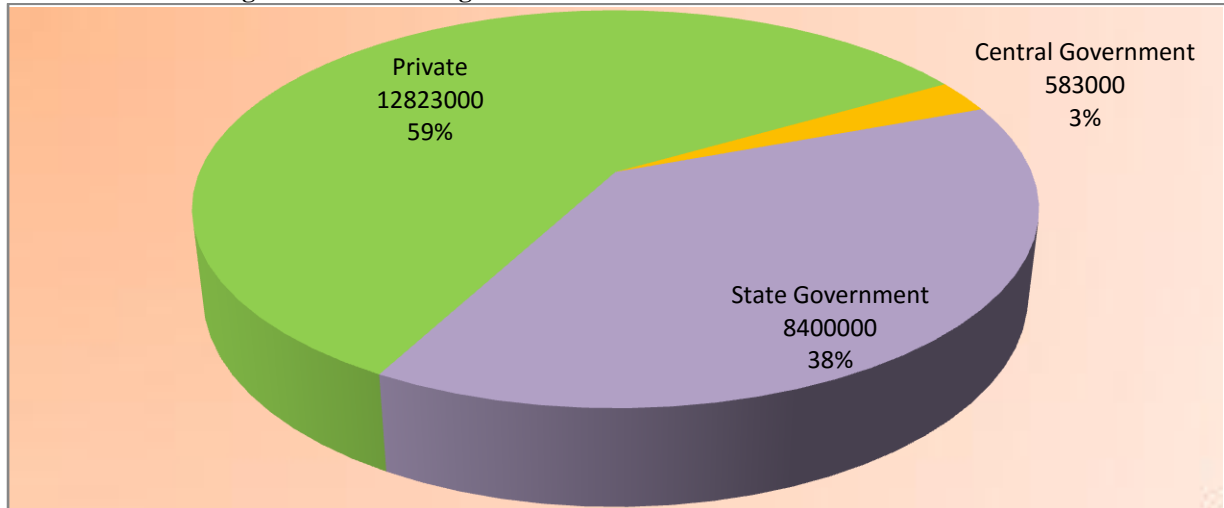


Source: Twelfth Five Year Plan (2012-17) - Social Sectors

The number of private higher education institutions has increased from 18,145 in 2007 to 29,662 in 2012. Thus, the increase has been more than 60 percent during the five year period (MHRD, Annual Status of Higher Education of States and UTs in India, 2013). It can be seen that the share of the private sector in the total number of higher education institutions is 64 percent in 2012 as illustrated in Figure 1.

It can be seen from Figure 2 that the share of private sector higher education institutions in total enrolment in 2012 stood at 58.9 percent, and central and state government universities accounted for 2.6 percent and 38.6 percent of the total enrolments, respectively (MHRD, Annual Status of Higher Education of States and UTs in India, 2013).

Figure 2: Share of Higher Education Institutions in Enrolment in 2012



Source: Twelfth Five Year Plan (2012-17) - Social Sectors

#### IV. FINANCING OF HIGHER EDUCATION IN INDIA

During the 1960's and 1970's, educational expansion was financed by increase in public expenditure. Till the 1970's it was felt that public expenditure and investment in education could be recovered by the society through increased productivity of labour force and consequent receipts by the government (Tilak, 2004a). However there was a declining trend in educational expenditure in the early part of 1970's due to non- realization of expected results by education investment (Tilak 1984); brain drain and unemployment among the educated (Psacharopoulos & Woodhall, 1985) and the need of public funds for other sectors such as health, nutrition, rural development and agriculture. In the beginning of 1980's neo-liberal economic reform policies unveiled in many developing countries, considering that the private sector is *ipso facto* efficient and desirable and this led to eclipse of Keynesianism and rise of an emerging system of free market philosophy (Tilak, 2004b, p.13).

##### a) Public Expenditure on Higher Education in India

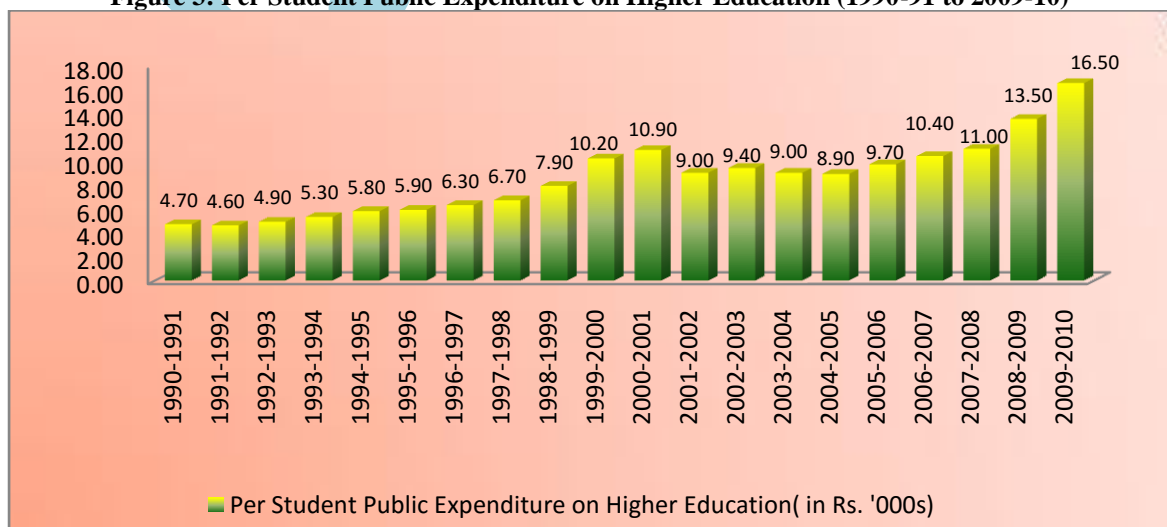
Public expenditure on higher education in India increased in the 1950's with a growth rate of 7.5 percent per annum,

witnessed a golden period during the 1960's with a real growth rate of 11 per cent per annum, declined to 3.4 percent real growth rate during the 1970's and recovered during the 1980's with an annual growth rate of 7.3 percent. It turned out to be 12.3 percent and 5.4 percent for the years 1990-91 and 2004-05 (Prakash, 2007). From 1989-90 to 1994-95, the share of higher education in plan expenditure declined from 12.6 per cent to 6 per cent. Similarly, the non- plan expenditure declined from 14.2 per cent to 11 per cent (Tilak, 1996).

##### b) Per Student Public Expenditure on Higher Education

It can be observed from Figure 3 that per student public expenditure on higher education has been declining since the 1990's. Though the "per student public expenditure on higher education in nominal terms has increased in the post-independence period but the real expenditure has registered a negative growth for the period from 1990-91 to 2002-03. However, the trend towards the public expenditure per student in the 11th plan period has been encouraging and needs to be continued for improving quality education" (MHRD RUSA, 2013, p.45).

Figure 3: Per Student Public Expenditure on Higher Education (1990-91 to 2009-10)



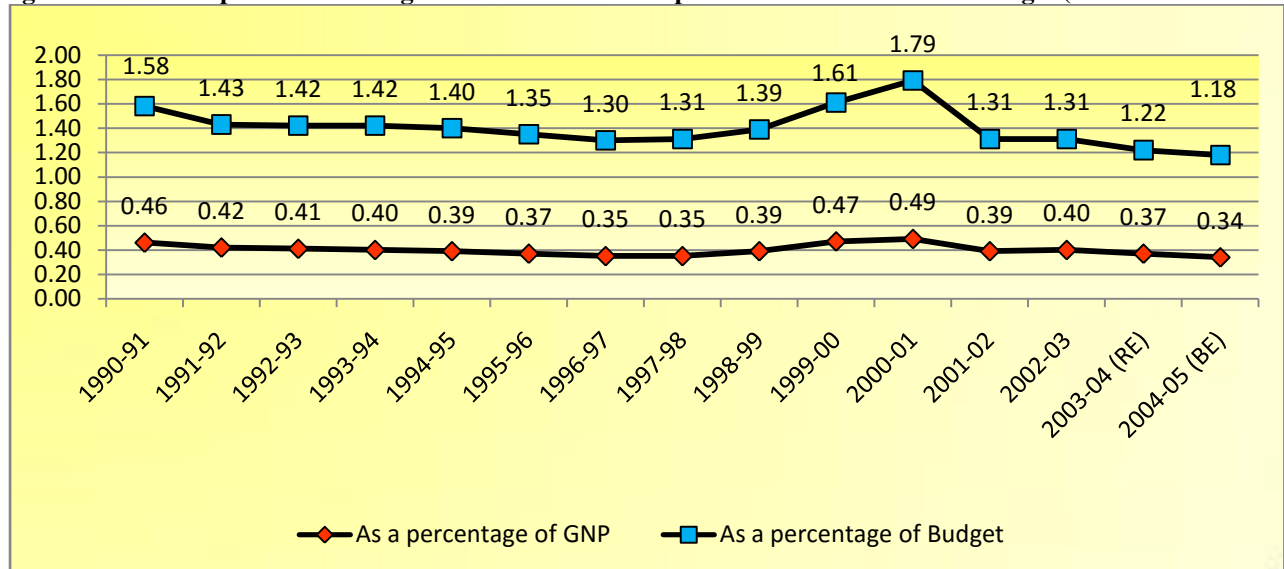
Source: RUSA 2013, MHRD, GoI

### c) Public Expenditure on Higher Education as a Proportion of GNP and Total Budget

The Education Commission (1964-66), recommended in its report that "[W]e should strive to allocate the largest proportion of GNP possible to educational development" (p. 889). This recommendation was accepted and resolved by the Government of India in the National Policy on Education

1968 and reiterated in the National Policy on Education 1986. From Figure 4, it may be seen that public expenditure as a proportion of GNP fell from 0.46 per cent in 1990-91 to 0.35 per cent in 1997-98. Thereafter, a nominal increase in the ratio took place but it further declined to 0.34 per cent in 2004-05 (BE).

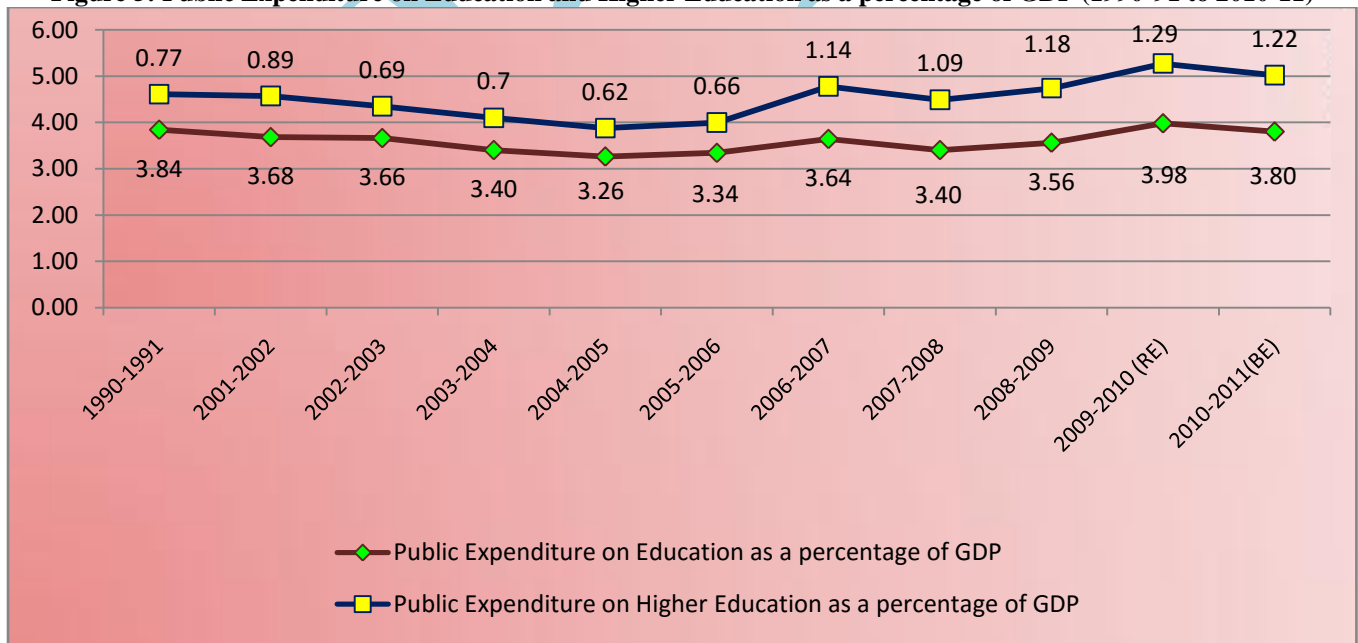
**Figure 4: Public Expenditure on Higher Education as a Proportion of GNP and Total Budget (1990-91 to 2004-05)**



Source: Analysis of Budgeted Expenditure on Education, MHRD, GoI (various years)

Since the 1990's there has been a steady decline in the budgetary allocations made by the government to fund higher education in India. There has been a marked decline in its percentage share in total budgeting expenditure from 1.58 percent in 1990-91 to 1.18 percent in 2004-05 (BE).

**Figure 5: Public Expenditure on Education and Higher Education as a percentage of GDP (1990-91 to 2010-11)**



Source: National Accounts Statistics, 2012 published by CSO

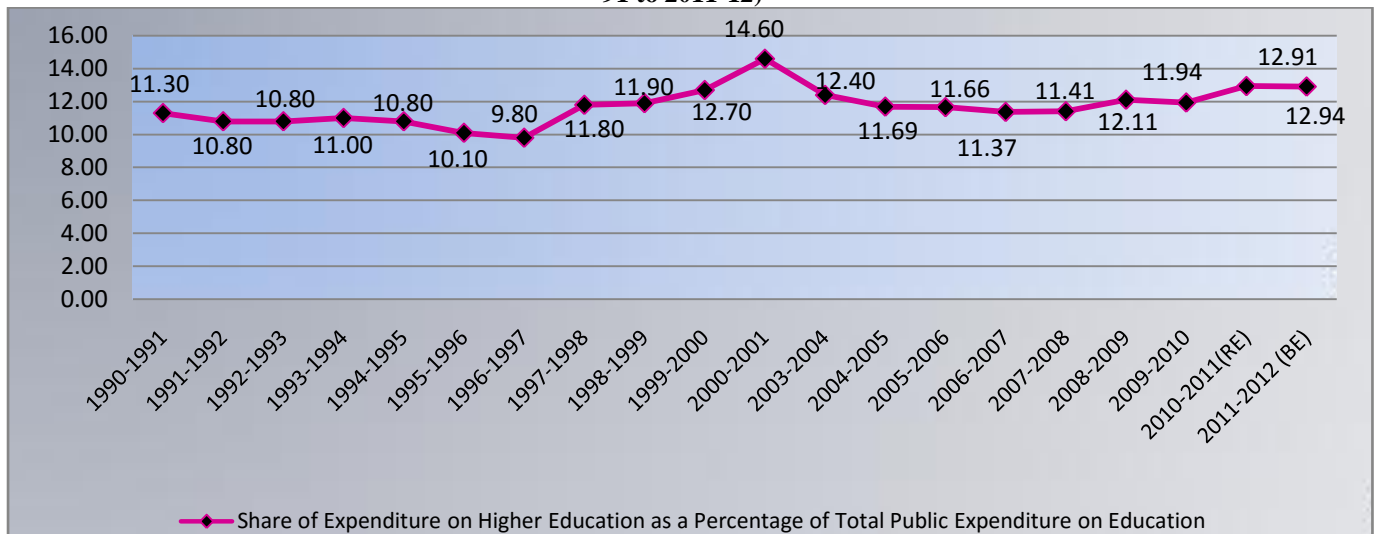
Figure 5: Note- Analysis of Budgeted Expenditure on Education (various years), MHRD, GoI GDP figures are on the base year 1990- 00 series. From 2004-05 onwards GDP figures are on the base year 2004-05 series).

Furthermore, it may be noted from Figure 5 that public expenditure on education as a percentage of Gross Domestic

Product (GDP) has not exceeded 3.98 percent since 1990-91. The public expenditure on higher education as a percentage of GDP is even lesser and has not risen above 1.29 percent since 1990-91. Figure 6 depicts the share of expenditure on higher education as a percentage of total public expenditure on education during the period 1990-91 to 2011-12.



Figure 6: Share of Expenditure on Higher Education as a Percentage of Total Public Expenditure on Education (1990-91 to 2011-12)



Source: Analysis of Budgeted Expenditure on Education (various years), MHRD

## V. PUBLIC-PRIVATE PARTNERSHIP (PPP) IN HIGHER EDUCATION

Under the PPP model of financing higher education, the risks and rewards of the project are shared by both (Agarwal, 2009). The World Bank (1994) suggested that “greater efficiency and high quality maybe achieved if the mobilization of greater private financing of higher education is encouraged” (p.7). The UGC Twelfth Five Year Plan (2012-17) document has stressed the need for adopting newer models of PPP that would adhere to the equity and affordability policy of the government. It suggested that PPP could be adopted through four models viz. the basic infrastructure model, outsourcing model, equity/hybrid model, and reverse outsourcing model (UGC, 2012, p.79-80). However, the operation of such partnership models generally favours an increase in the degree of privatization, transferring public resources to the private sector causing ‘public pauperization and private enrichment’ (Tilak, 1991). Such models are nothing but business deals. Thus, public spending on higher education is a crucial element in financing of higher education.

## VI. CONCLUSION

Due to the decline in the state sector, the demand for private higher education has risen in India at the end of the 20<sup>th</sup> century. These institutions have been successful in providing access to higher education and prepare skilled personnel that meet the demands of the global marketplace. Not only have the private institutions emerged on the bloc, but even the public universities are being ‘privatized’ due to the shrinking fiscal space for higher education in the public budgets. There has been a significant shift from philanthropy to profits in setting up private institutions. Therefore, there is a need to evolve a sound public policy for private higher education. This would be necessary for making the private higher education fulfil the public mission and social mission of providing education; help build a civil society; promote sustainable development; fight poverty; serve the job market, expand access to qualitative and innovative higher education

and finally serve as models for public higher education reform in India.

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