

The Changing face of Indian Education

With encouragement of committed private players, permission to adopt maverick approaches to funding, and a thrust on knowledge creation, India will be all set to become an education super power within the coming decade. Says prominent educationist [Sunil Karve](#).

With a 6% share of world income and the fourth rank in Purchasing Power Parity, one can safely conclude that India has finally arrived. Over the last 50 years, the Government of India has provided full policy support and substantial public funds to create one of the world's largest systems of higher education. On the science and technology side, India has churned out a large number of scientists, engineers and technicians who today rule the roost in intellectual hubs like NASA and the Silicon Valley. There is no doubt that India is extremely rich in intellectual capital that possesses a strong value system.

In the year 2000 the adult literacy rate (% aged 15 or older) was 58.5 % (72.3 % for males, 44.4 % for females). These figures have all nearly doubled since 1961 and are higher than in most other South Asian nations. Total government expenditures on education in 2001 were Rs 841.8 billion (US\$17.3 billion), which was 13.2 % of all government expenditures and 4 % of the Gross Domestic Product (GDP). Since the 1950s, government expenditures on education have increased steadily, as have the number of educational institutions from the primary to the university level (refer Table 1).

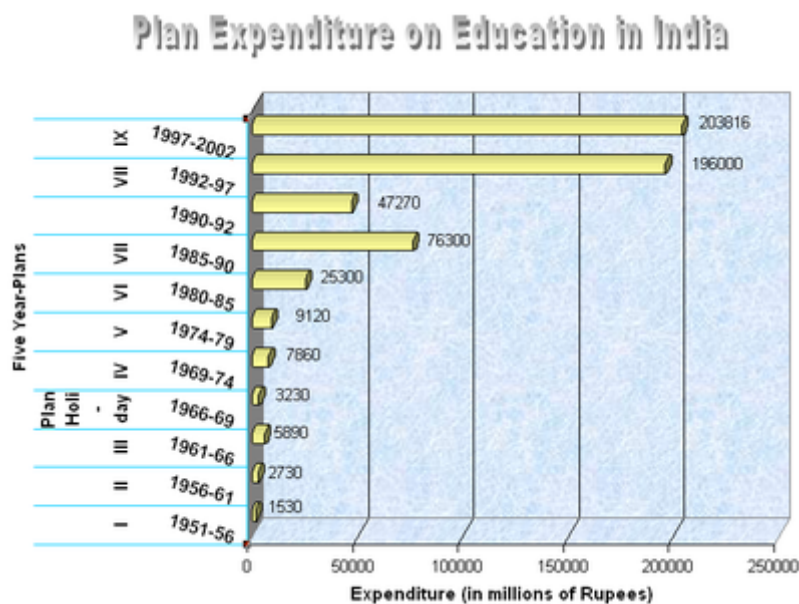


Fig. 1. Plan Expenditure on Education in India

Table. 1. Growth of higher education in India

Year	Universities	Colleges	Teachers	Students
1950	25	700	15,000	100,000
2005	343	16,885	460,000	9,953,000

Source: International Institute for Education Planning

Over the years, with the increase in population and literacy, the number of educational institutes for higher learning has also increased, but not sufficiently to meet the demand. The influx of private institutes has taken place because the government was unable to meet the demands of the growing population and higher education needs. This is a good sign since this will largely contribute to nation building. With the IT revolution and technology development, changes are slowly taking place especially in the last five years. We also need more private institutes, but of the right kind. Funds that are being allocated by the government to the education sector will mainly go to the primary and secondary levels. This is a good move, as it will strengthen primary education. In case of higher education, the government would like to leave the responsibility to the private sector. Which is why deemed universities and autonomous universities are being set up.

The future belongs to India

There seems to be direct correlation between the increase in the number of colleges and universities (and thus students) and the GDP of the country (refer Fig. 2). Logically, with the increase in the number of students the number of educated and talented manpower entering the economy is also large and this leads to the development of the nation.

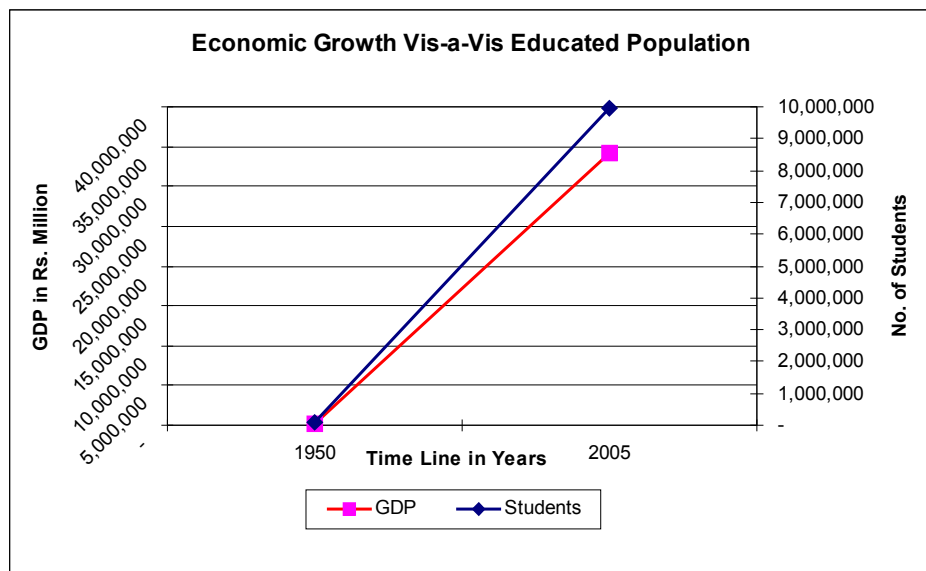


Fig. 2. Economic Growth vis-à-vis Educated population

In the next ten years, Indian universities will be in the same league as the top universities across the globe. In order that this may be achieved, we will have to work on our technology and infrastructure. The focus must therefore be on encouraging the committed private players. Also, educational institutions should strive to create knowledge and should be allowed to adopt maverick approaches to raise funds.

Encourage the right private institutions to thrive and grow

In India, both public and private institutions operate simultaneously. In 2000-01, of the 13,072 higher education institutions, 42 % were privately owned and catered to 37 % of students enrolled into Higher education, that is, approximately 3.1 million out of total 8.4 million.

Education in public institutions is heavily subsidized due government funding. However, many of the public institutions have not been able to maintain the high standards in education or keep pace with developments in the fields especially in knowledge and technology. Over time, financial constraints with exploding enrolments, and a very high demand from primary and secondary education has led to the deterioration in the financial support provided by the government. On top of this, an overall structure of myriad controls with a rigid bureaucracy has stifled its development. This has encouraged a large number of private players to set up institutions.

The challenge here is to identify the committed institutes and eliminate the selfish black sheep. The right kind of private institutes are the ones that are purely driven by the passion and commitment towards imparting quality education. They strive to provide world-class infrastructure and facilities to the learners. The selfish black sheep are the ones who are solely concerned with protecting their own interests. Encouraging the right kind of private players could be a winning strategy since it can strengthen the DNA of the Indian education system.

Maverick approaches to funding private education institutes -

The constraints on the government treasury to fund the huge infrastructure required to build the right kind of learning ambience has led to an influx of private players into the education system. The setting up of deemed universities and autonomous institutions is a clear evidence of this. However, in order that quality is maintained it is important that these players have the winning combination of commitment and funding.

a) A professional cell for fund-raising

Institutes must look beyond establishing 'chairs' in the name of the corporate. The corporate world in the form of alumni can do much more than just this. They can partner with the institute for the projects and actively contribute funds to the cause they believe in. For this, the public and private institutions can set up a professional cell for fund raising. An independent director whose sole responsibility would be fund-raising for the institute must man this cell. This is an international concept prevalent in almost every university abroad. The job responsibility of the Director-fund raising would be to establish strong linkages with the alumni, ascertain the fund requirements of each department in the institute, create project reports for funding for each section of the institute etc. Making project reports for each section and effort will help the corporates identify the correct fit and also reassure the corporate that the funds are being deployed for the right use.

b) Full autonomy to private institutes

As mentioned previously, the right kind of private educational institutes must be encouraged. These institutes fight their own challenges in the form of statutory fee fixation and administration norms. These challenges may prove to be roadblocks to the development of the institute in the form of paucity of funds. As per the Supreme Court judgement, the prerogative to fix fees and run a private un-aided institute must lie with the institute itself. Further, the institute should be given the autonomy to fix fees that will include the cost of education plus a reasonable surplus that will be used for the development of the institute. This judgement if implemented will eliminate the need for fees through donation.

Either the private players must be given the autonomy of administration and fee fixation or they must be allowed to adopt innovative models for funding their expenses.

c) Cross Subsidize education in private institutes

The private players can also look at options of cross subsidizing education as per the model in Fig 2. below:

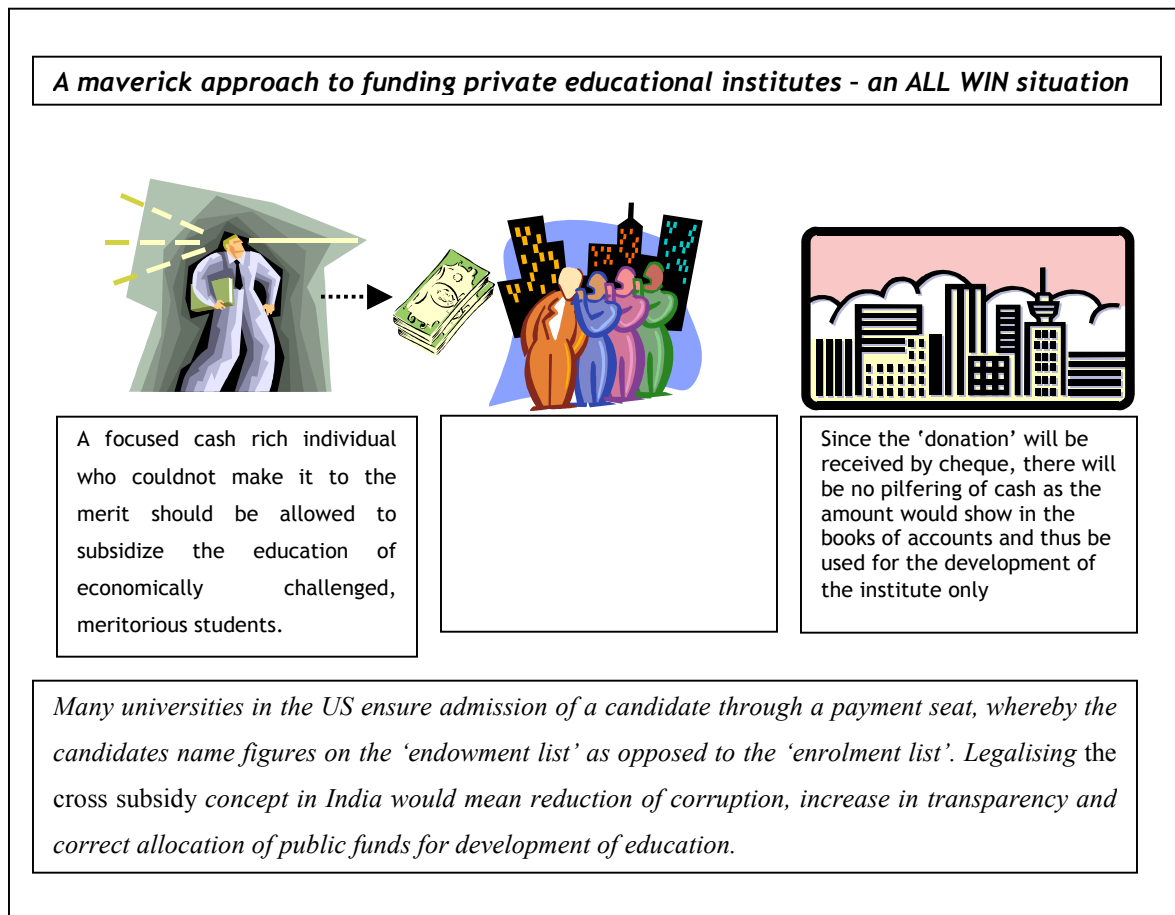


Fig. 2. A maverick approach to funding private educational institutions - an ALL WIN situation.

According to the above model, 15% of the students who couldnot make it to the merit, but have the financial strength to subsidize the education of the economically challenged, meritorious students should be given an

opportunity to do so and thus be given admission in return. **The entire payment must be by cheque and thus accounted for.** In this way the entire money collected as donation will be deployed for the development of the institute. Many universities in the US ensure admission of a candidate through a payment seat, whereby the candidates name figures on the '*endowment list*' as opposed to the '*enrolment list*'. Legalizing the cross subsidy concept in India would mean reduction of corruption, increase in transparency and correct allocation of public funds for development of education. This is just one of the models a private educational institute can adopt successfully.

Focus on Knowledge Creation - in this lies the key to a brighter tomorrow

Gone are the days when educational institutes were started with the sole aim of knowledge dissemination. The future belongs to educationists who believe in knowledge creation through high quality research and development. For this the institutes will have a strong focus on providing world-class ambience and infrastructure in which intellectual capital will thrive and bloom. India will thus be a knowledge hub where the public funds will be used for teaching, coaching *and learning*. In this way the educational institution will indulge in infinite value creation for the society.

It is now an accepted fact that India is going to become the next economic super power. But this cannot happen overnight, it will require sustained efforts on the part of educationists to offer superior quality of higher education so that the best talent is infused into the corporate world.

Prominent educationist, [Sunil Karve](#), Founder Trustee and Vice Chairman - MET League of Colleges has authored this article.