

Dynamic Makeover



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As we strive to progress along the path to resurrect the glorious days of higher learning, reminiscent of Takshila and Nalanda, India's higher education sector is currently in the midst of a dynamic makeover.

The growth in student enrolment, improved institutional rankings and heightened interest from venture capital investors reflect the sector's hidden potential.

Yet, on this trajectory of opportunity lies a series of hurdles. To meet our aspirations for a highly evolved and advanced higher education system, India must shed its age-old deficiencies. The larger vision is still amiss, and roadblocks such as lack of quality, equity and access continue to inhibit the sector's advancement in real terms. A stronger vision, shouldered by a favourable regulatory framework and implementation plan, is the need of the hour.

Being the second most populous and largest democratic set-up in the world, India comes with its set of inherent challenges. Public spending is spread across a number of priority areas, and initiation of reformatory measures take time. To capitalise on our demographic advantage of being the youngest country in the world, steps need to be taken immediately to address these challenges. If not, in this highly competitive global landscape, one nation's loss can immediately become another's gain.

> REVISIT POLICIES

The education sector has been neglected for long by the government in terms of focus and expenditure. The total public expenditure on this sector as a percentage of GDP is just about three per cent with the share of higher education at a meagre one per cent. With a huge demand-supply gap and a low gross enrolment ratio (GER), this spend is unjustified. Even in comparison to

our peers and developed countries, with much higher GDPs and extensive higher education networks, we seem to be losing the game.

Most of our education policies are archaic, having been formulated decades ago. Issues of quality, access and equity, which have been plaguing the education sector, need to be tackled through well-conceptualised reforms, ideally with effective use of technology. The success of 'Digital India' and 'Make in India' initiatives also depends on a sound human resource development strategy.

Foreign direct investment (FDI) under the automatic route has been allowed across sectors, including some sensitive ones such as defence. Even though, 100% FDI is permitted under the automatic route in the education sector, the contradictory regulations of the University Grants Commission (UGC) and All India Council for Technical Education (AICTE) have led to an impasse. It is time to open this sector in real terms and invite foreign institutions to engage with and establish their presence in India.

The private sector's role in higher education has taken enormous proportions. The enrolment figures in such institutions have been rising since the 1990s. The lack of public expenditure and the ambitious target of achieving 30% GER signify the growing importance of the private sector. The gov-

HIGHER EDUCATION

PUBLIC SPENDING ON EDUCATION (as % of GDP)

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| Australia | 4.3 |
| Brazil | 5.6 |
| Germany | 4.3 |
| India | 3.1* |
| UK | 5.2 |

Source: Education at a Glance 2015 (OECD); *Economic Survey 2014-15

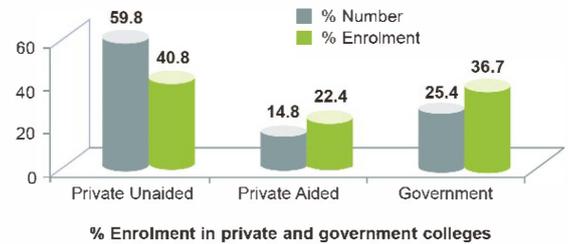
ernment needs to pragmatically consider the recommendations of the 12th Five-Year Plan document to permit “for-profit” institutions, subject to strict compliances, in higher education. Vocational education and healthcare are permitted as valid business activities, and it is now time to consider the formal education system also.

The country is facing an acute shortage of quality faculty in higher education. As a career opportunity, teaching does not figure in the top priorities of Indian students. It is time to incentivise the profession by monetary and non-monetary benefits. Autonomy, study leave with pay, funding for research and corporate connect are some of the strategies followed in other countries to retain talent.

Given the potential of this sector and to address its various challenges, the government has recently conceptualised reformatory policies. However, it is unfortunate that most of these defining reforms are yet to receive parliamentary consent. For the benefit of the student community, we hope that at least some of these reforms will see the light of day sooner than later.

► WAY FORWARD

It is heartening to note that the government has decided to overhaul the decade-old national education policy. A year-long dialogue process was initiated to seek views of all the stakeholders including consultations with village education committees, school management committees, etc.



Source: AISHE 2012-13, MHRD, GoI

Given the recent technological intervention in the higher education system and increased foreign interest, the government has initiated a review of the existing framework, mandate and relevance of regulators such as the UGC, AICTE and National Council for Teacher Education (NCTE). The lack of clarity on jurisdiction has resulted in a conflict among regulators, vitiating the review process. We expect that such a step should lead to effective streamlining of their operational structures, addition of new mandates and provision of powers to heavily penalise institutions duping students.

To attract foreign investment, implement global best practices in learning and reverse the brain drain, the previous government had prepared a bill to permit entry and operation of foreign institutions. The Universities for Innovation Bill for promoting establishment of research-focused institutions of excellence, too, was developed in the past. However, the enactment of these revolutionary bills has been pending for a long time.

The increasing penetration of the internet has led to the invention of disruptive learning technologies and platforms such as cloud computing, MOOCs, social learning, flipped classrooms, and gamification. Further, new-age devices such as the iPad, Kindle and smartphones are changing the way students access knowledge and information. These tools will drastically alter the education landscape in the country. The government needs to promote the use of technology as a means of learning for the youth, especially those in rural areas.

As a country, we are on the cusp of becoming a global human resource powerhouse. The request to all stakeholders is to contribute their best to achieve this ambition.

AT A GLANCE

| Key reforms in the offing | Likely impact on higher education |
|---|---|
| National Policy on Education | Well-defined roadmap for achieving equity, quality and excellence |
| Choice-based credit system (CBCS) | Broad-based education, lends flexibility to shift between courses, promotes job-oriented training |
| Restructuring of UGC, AICTE & other regulatory bodies | Greater autonomy and well-defined roles with no overlaps |
| Entry of foreign educational institutions | Introduction of global best practices, saving outflow of forex to study overseas |

Source: Deloitte Analysis