

CURRENT STATUS OF HIGHER EDUCATION IN INDIA



VB LAW ASSOCIATES

Authored by: Saurabh Shukla
Associates

CURRENT STATUS OF HIGHER EDUCATION IN INDIA

The educational structure in India is generally referred to as the Ten + Two + Three (10+2+3) pattern. In +3 stage, the student attends the college in his chosen field of subject. The higher education also offers 4 years Engineering courses and Medicine. Professional courses in other disciplines like architecture, law are offered for five years. Since the privatisation of the education sector the training programs at the undergraduate level has been streamlined. 60%-80% of graduates are employed by the Industry and the success story is clearly evident in the shift from the past economy to the progressive economy in India. The Ministry of Human Resource Development (MHRD) is the regulatory body responsible for the development of human resources. The current level of GER in India stands at a figure of 12.4% and is very low compared to world average of 23.2%, 36.5% for developing countries and 45% for developed countries. Some relevant data are given below:

- There were 20 Universities and 500 Colleges at the time of independence.
 - At present, Universities and University-level institutions - 504
 - At present, State Universities - 243
 - At present, State Private Universities - 53
 - At present, Central Universities - 40
 - At present, Deemed Universities - 130
 - At present, Institutions of national importance established under Acts of Parliament-33
 - At present, Institutions established under various State legislations – 5
 - In addition, there are 25,951 Colleges Including around 2,565 Women Colleges.
- Out of 25,951 Colleges, 7,362 Colleges (28%) have been recognized under Section 2(f) and 5,997 Colleges (23%) under Section 12-B of the UGC Act, 1956.

Total number of students enrolled:

Universities and Colleges- 136.42 lakhs, 16.69 lakhs (12.24%) in University Departments and 119.73 lakhs (87.76%) in affiliated colleges. (Status of Higher Education in India : Recent advances in frontier areas D. Manjunatha).

The higher education sector is beset by major problems. There are problems of quality – higher education being offered is of mediocre or poor quality with the exception of a few institutes such as the IITs and IIMs. There are imbalances in demand and supply – a large army of graduates in non-technical areas faced with scarcity of employment opportunities coexisting with excess demand for technical skills despite the spurt in vocational education.

The enrolment rate in higher education is still very low despite significant growth in recent times. A complex and confusing web of multiple regulatory agencies and ministries bind the functioning of educational institutions. Overlap in roles, lack of coordination among agencies and inadequate awareness about one's role characterises these regulatory agencies. Thus, many clarifications come from courts rather than legislators or regulators. While higher education is constitutionally a state subject effective control is exercised by the Central Government and related governing institutions.

Competition Law Its provisions in Higher Education Sector.

Higher education today is one of the wealthiest sectors in India, from a social sector it has now become a commercial service provider and yet it is not treated as of it. There has been a failure in regulating the private universities and they act arbitrary and the consumer is the one who suffers. 11th Planning Commission Report 9 states that promotion of consumer welfare is the common goal of consumer protection and competition policy.

Protection of consumers is accomplished by setting minimum quality specifications and safety standards for both goods and services and establishing mechanisms to redress their grievances. The objective of competition is met by ensuring that there are sufficient numbers of producers so that no producer can attain a position of dominance. If the nature of the industry is such that dominance in terms of market share cannot be avoided, it seeks to ensure that there is no abuse on account of this dominance. Competition policy also seeks to forestall other forms of market failure, such as formation of cartels. Thus, the sector should be open for Competition and properly regulated in the interest of the consumer

The problems of undersupply of education service can be attributed to the entry barriers characterising this sector. A university can be set up by legislation only – either Parliamentary or State. Those set up under the latter can operate within the state only. Such lack of competition not only affects the amount of education supplied but also its quality Competition in the price and quality space is needed to generate consumer satisfaction. However, regulations in this sector often impose controls on fee charged. The low level of fees implies that the quality of education on offer is also poor. Only select educational institutions like IITs and IIMs can offer good quality education despite low fees because of generous government subsidy.

Government subsidy to select institutions coupled with fee control for all violates the principle of competitive neutrality – a level playing field, where private educational institutes can compete with government supported ones, does not exist. Competitive neutrality means that state-owned and private businesses compete on a level playing field (OECD overview of competitive neutrality). This chokes competition by restricting private entry and reduces quality of education. The situation has been exacerbated by restrictions placed on foreign players in terms of fees charged and the content of syllabi. This has discouraged foreign entry into the Indian higher education sector.

Moreover, these days, few private institutions in higher education have created their monopoly (section 3 of the Competition Act, 2002) in the market and are abusing their dominance (Section 4 of the Act, 2002) by raising their fees and providing unsatisfactory and below standard services and facilities as compared to the fees charged.

The approach should be of allowing profit making in education and reinvestment of surpluses for capacity enhancement. It is felt that opportunities for profit making and reinvestment of surpluses coupled with quality checks would enhance both the quality and quantity of education supplied.

Conclusion and Recommendations

It can be concluded that a complete overhaul of regulatory Design, to facilitate both autonomy and clarity in mandates is necessary to improve the higher education system. This would improve the quality of regulation and therefore of education. There is a need to dismantle regulations that deter entry into the sector and reduce flexibility in offering tailor made instruction; at the same time there should be a strong accent on accreditation and regulation of education quality.

Few others recommendations emerge for promoting competition in the higher education system. First, a strict adherence to the principles of competitive neutrality is considered as being necessary for promotion of competition in this sector. However, this needs to be backed up by liberalisation of fee control and recognition of the right of educational institutions to make profits. Further, abuse of dominance created by their monopoly needs to be checked out, as the ultimate sufferer are the students, who should be granted a status of consumers and the education institutions as undertakings. These measures would induce competition but not necessarily choke access. The role of the government lies in being in a facilitator of commercial loans or scholarships for deserving needy students.