

We need a balanced higher education policy

Private sector participation in higher education must not only be encouraged, but rather be incentivised



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THE current IIM Bill under consideration by the government to be passed as an Act of Parliament has as its hallmark providing autonomy to the Indian Institutes of Management (IIMs) in all aspects except selection of Directors and Governing Board members. It is reported that the government's final view on this was that to meet the objectives of the IIMs, this Bill needs to be liberal in outlook and a must if the IIMs are to leapfrog to the next stage.

After this Bill is passed, the IIMs will be able to grant Master of Business Administration (MBA) and PhD degrees, instead of Post Graduate Diploma in Management (PGDM) and Fellow certificates, respectively. This is a wonderful initiative by the government.

In contrast, the non-government institutions offering PGDM and Fellow certificates are regulated by the All India Council for Technical Education (AICTE), which, in its 2010 notification, mandated that for these institutions the fees, curriculum, admissions, etc, will be decided/approved by the AICTE or a relevant government body. This notification was challenged collectively by these institutions then and is before the Supreme Court, awaiting a final decision.

Every year, since then, an extension of status quo prevailing prior to this 2010 notification of the AICTE is granted by the Supreme Court for these non-government institutions to commence various activities for the next academic year.

The first Indian Institute of Technology (IIT) in India was set up in Kharagpur in 1951, and there are now 16 IITs. The first IIM was set up in Calcutta (now Kolkata) in 1961, and there are 19 IIMs in place now. All IITs and IIMs have been set up outside the university system, with their own Board of Governors (BoG).

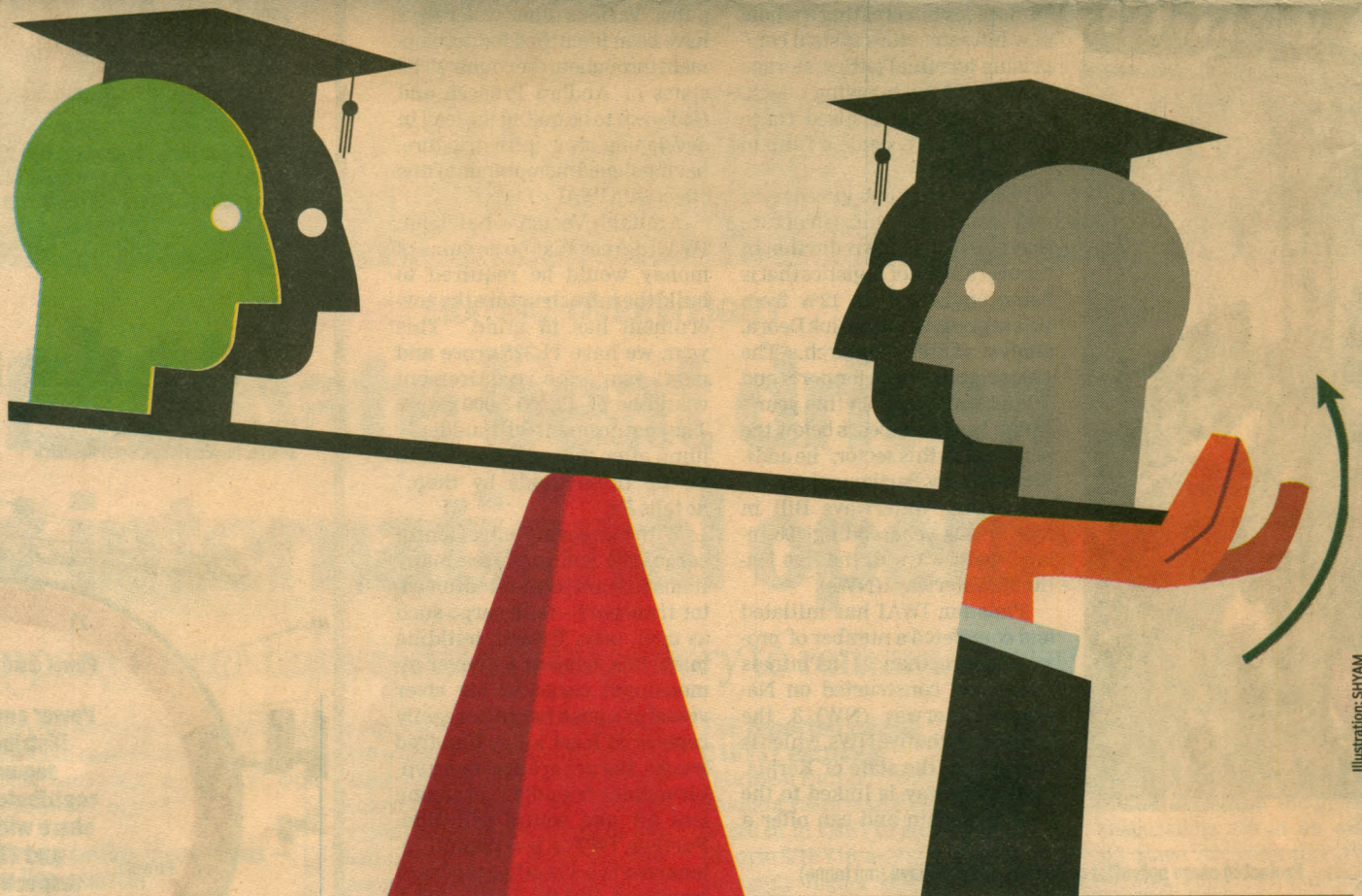


Illustration: SHYAM

It is easy to speculate that for these 'new age' institutions, the government must have wanted to give them nimbleness in decision-making as well as independence from over-regulations to be able to perform as desired. These aspects must not have been considered achievable in the university system or under AICTE regulations. Therefore, the inability of the university system in India to foster world-class institutions was side-stepped.

While the IITs had the authority to grant degrees, the IIMs could not, since they were registered as societies, and as a result the IIMs could give only the PGDM, which was given equivalence to an MBA degree by the Association of Indian Universities (AIU)—surprisingly, a non-constitutional body. Thus began the way of higher education in India with three different governing models—the universities under UGC, the IITs through the IIT Acts, and the IIMs on their own as registered societies. This kind of multiple academic governance and the associated degree/PGDM granting systems do not exist anywhere in the de-

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veloped world.

It must, however, be noted that higher education is an option to pursue for career growth by an individual, unlike elementary education that may be considered essential for a decent survival. The institutions must constantly keep developing and reinventing themselves, considering sweeping changes in technology and the way technology is being deployed to harness resources available and people's capabilities. The role of regula-

tors becomes crucial and critical in achieving these ends.

One objective way to involve the regulators to contribute positively could be for them to also ensure a certain percentage of universities/institutions under their regulation to figure in the top, say, 200 ranks of some noted international rankers.

Regulating education must not be an end in itself, rather it must have a defined purpose and the performance expected of a regulator would achieve just that.

To meet the huge demand for education that India is facing, private sector participation in higher education must not only be encouraged, but rather be incentivised. It is crucial that the government as well as private institutions must co-exist. In addition, the government must consider making regulations based on need and be objective-driven. This means all higher education institutions in India must have a common regulatory framework and not be divided on government versus privately-funded institutions, very much akin to a common corpo-

rate law that governs private and government corporations in India. The government should encourage private investment in higher education and also recognise the necessity of financial autonomy for private institutions. Among the many possibilities of incentivising private funding, if only a tax rebate incentive is given to private funding for 'not-for-profit' education institutions, the government would be able to mobilise about three times the money it has forgone as tax revenue, into the education system.

A policy for privately-funded university/institution with the kind of regulatory freedom similar to that enjoyed by the IITs and the IIMs has the potential to produce dozens, if not scores, of world-class universities/institutions in just 10 years. A comparative data on public and private universities in the US would be an eye-opener. Such a policy framework is not yet even in a discussion mode.

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