

PREFACE

Higher education is critical to India's aspirations of emerging as a major player in the global knowledge economy. The global competitiveness of Indian industry and also its employment generation potential is clearly dependent on availability of required skills and trained personnel. But as several recent studies have revealed the overall state of Indian higher education is dismal and therefore poses a severe constraint on the supply of qualified manpower. Despite remarkable progress in reforms covering a number of sectors and sub-sectors of the economy, there is little informed debate on reforms in higher education.

Higher education in India suffers from several systemic deficiencies. As a result, it continues to provide graduates that are unemployable despite emerging shortages of skilled manpower in an increasing number of sectors. The standards of academic research are low and declining. Some of the problems of the Indian higher education, such as – the unwieldy affiliating system, inflexible academic structure, uneven capacity across various subjects, eroding autonomy of academic institutions, and the low level of public funding are well known. Many other concerns relating to the dysfunctional regulatory environment, the accreditation system that has low coverage and no consequences, absence of incentives for performing well, and the unjust public funding policies are not well recognised. Driven by populism and in the absence of good data, there is little informed public debate on higher education in India.

Higher education in India has expanded rapidly over the past two decades. This growth has been mainly driven by private sector initiatives. There are genuine concerns about many of them being substandard and exploitative. Due to the government's ambivalence on the role of private sector in higher education, the growth has been chaotic and unplanned. The regulatory system has failed to maintain standards or check exploitation. Instead, it resulted in erecting

formidable entry barriers that generate undesirable rents. Voluntary accreditation seems to have no takers from amongst private providers and apparently serves little purpose for any of its stakeholders.

Despite, its impressive growth, higher education in India could maintain only a very small base of quality institutions at the top. Standards of the majority of the institutions are poor and declining. There are a large number of small and non-viable institutions. Entry to the small number of quality institutions is very competitive giving rise to high stake entrance tests and a flourishing private tuition industry. Despite some merit, it has resulted in fragmentation of merit space and further intensified competition for the limited capacity in quality institutions.

While public funding declined (in real terms), enrolments in higher education institutions grew to meet the surge in demand. This further deteriorated academic standards. As a result, the institutions were forced to raise their tuition fees to sustain themselves. Emergence of private providers and increase in tuition fees in public institutions without any substantial programme for students' financial aid has made higher education beyond the reach of the poor. This study discusses feasible strategies to overcome this and make higher education affordable and accessible to all.