

Absence of Policy and Perspective in Higher Education

Recent trends indicate a growing public apathy for higher education, that becomes evident with falling public expenditure in the sector. Along with this, there has not evolved a coherent policy on its development. This has led to erratic and unregulated growth of private higher education.

JANDHYALA B G TILAK

I Introduction

After independence in the field of education India started almost from scratch and has since made significant progress in educational development. In the post-independence era, the progress in case of higher education has been very impressive. The number of universities has increased from a meagre 28 at the inception of planning in the country (1950-51) to above 300 in 2002, and the number of colleges has increased from less than 700 to more than 13,000 during the same period. There has also been an explosion in student numbers, the enrolments in higher education have swelled from less than half a million in 1950-51 to about nine million in 2003. Such an educational explosion has been inevitable for the following reasons: (i) Provision of educational facilities in the pre-independence period was very insignificant. Independence has created an unquenched thirst for knowledge resulting in an abnormal rise in social demand for higher education. (ii) Secondly, building up a new socio-economic system after the end of colonial rule required large-scale manpower with varied skills, and so the government could not but expand the higher education system significantly. (iii) Thirdly, the welfare state policies necessitated the expansion of the system horizontally, so that equity in higher education could be promoted.

As a result, higher education in India has become somewhat 'democratised' with a larger number of students from lower socio-economic strata constituting a sizeable proportion in the total enrolments in higher education. About one-third to 40 per cent of enrolments in higher education belongs to lower socio-economic strata, compared to the extremely elitist system inherited from the colonial rulers. Women students form currently about 35 per cent of the total enrolments.

Secondly, the significant growth in higher education in India has also contributed to the building up of the third largest reservoir of scientific and technical professional manpower in the world, which helped the nation in achieving sufficiency in manpower of all kinds and types, and a reasonably high level of sustainable rate of economic growth and social development, as well as self-reliance in various socio-economic, technological and political sectors of development. Again, from a national point of view, it is associated with brain drain and loss of scarce resources – financial and human – from global point of view, India supplies highly skilled scientific and technical manpower to the world market produced at a relatively low cost.

At the same time, it must be noted that despite massive growth in numbers, hardly 8-9 per cent of the 17-23 age-group population in the country are presently enrolled in higher education institutions. Quality and equity dimensions of higher education also need serious

attention. Despite improvement in equity over the decades, still higher education is not accessible to the poorest groups of population. Inter-regional variations in quality, quantity and equity dimensions of higher education are marked. The strong wave of globalisation and trends in internationalisation of higher education stress the need to develop a strong vibrant higher education system. After all, only those societies could reap gains of globalisation that have strong and widespread higher education systems, and vice versa. Global competition in higher education put additional emphasis on the need for serious efforts to improve the quality of higher education. 'Empowerment of higher education' [Kalam 2003] is the critical need of the hour.

In this overall background, one might look at the current policies in higher education in India. The 1990s had seen a major turn in the history of contemporary higher education in India. This was a decade of turmoil in higher education [Tilak 2003b]; and the government approaches meant almost 'killing of higher education' [Mehta 2003]. Two important aspects, viz, government's apathy to higher education and public sector disinvestment in higher education, have been the dominant characteristics of the decade.

II Recent Developments: Education for All

First, the chronological developments of the decade, some of which are briefly listed in Table 1, are indeed worth recalling, as they in all narrate a story of a steady drift in the development of higher education in India.

The last decade of the last century began with the world famous Jomtien conference on Education For All. Almost all the countries of the world met in Jomtien in 1990 under the umbrella of major international organisations, including the World Bank, UNESCO, UNICEF, UNFPA, etc, and proclaimed their commitment for fulfilling their basic goals in basic education, which had remained unfulfilled for a long time. A major positive outcome of the Jomtien conference was that basic education received serious attention of the national governments and the international community. This is good in itself. But at the same time this produced an undesirable effect on other levels of education. It was widely felt that basic education goals could be reached only if the public attention is diverted rather completely away from secondary and more particularly higher education.

As a result, either higher education was ignored in the policy planning exercises of the governments and of the international organisations, or special measures were initiated to reduce the

intensity of public efforts in higher education or both. This did happen in India as well. Many public policy and plan documents, including *Economic Surveys*, annual budget speeches of the finance minister and debates and discussions on policy issues in education ignored higher education altogether, and got confined to literacy and primary education. Given the national or more particularly international commitment in case of elementary education, the government felt that there was no way of continuing to support higher education at the same level as it used to do earlier. To justify its stand, the government declared, "the higher education system in the country is now sufficiently developed to meet the nation's requirements. The unmet demand for higher education is not considered economically viable" [Government of India 1994:75].

Such an approach obviously ignored the interdependence of various levels of education: primary education provides inputs into secondary and higher education and higher education, in turn, provides teachers, administrators and others for school education. Secondly, it is also ignored that growth in primary education would contribute to rapid rise in demand for secondary and higher education and the corresponding need for expansion of secondary and higher education.

III

Public Disinvestment in Higher Education

Another very important development of the early 1990s that had tremendous impact on higher education was the introduction of 'new' economic reform policies that include stabilisation and structural adjustment, which required a drastic cut in public expenditures across the board, including education. In fact, these policies set the tone for drastic reforms in higher education in India in the following years and on the whole, higher education suffered severely [e.g., see Tilak 1996].

Public expenditure on higher education began to decline since the beginning of the 1990s. In real prices, the union government's expenditure on higher education declined from Rs 645 crore (in 1993-94 prices) to Rs 559 crore in 1996-97 (Table 2). Since bulk of the expenditure is incurred by the state governments, the total expenditure on higher education in the country as a whole did not decline so steeply.

Though state governments had experienced severe fiscal problems, they could not cut the budgets for higher education, essentially because they are mostly non-plan expenditures, or simply the maintenance expenditure. But of course there was no significant increase. Cut in union government's expenditure does mean cuts in plan allocations for higher education. However, since 1988-99 the union government seems to increase its allocations to higher education substantially. In nominal prices, there was an increase by nearly 70 per cent between 1997-98 and 1998-99, and by 37 per cent between 1998-99 and 1999-2000. But as we note below, the increase has not been proportionate to the increase in student numbers, and secondly, how far this trend would last is also doubtful, as the budget allocation for the year 2001-02 seemed to be less than the expenditure (revised) incurred during the previous year (2000-01) even in nominal prices.

In fact, a very drastic decline in public expenditure on higher education can be noted, when we examine the trends in per student expenditure. In 1993-94 prices, expenditure on higher education per student declined from Rs 7,676 in 1990-91 to Rs 5,873 in 2001-02 (budget estimates), a decline by nearly 25 per cent points

in the index. (Table 3) Decline in per student expenditures means decline in real resources available per student on average, seriously affecting the quality in higher education. After all, there were steep cuts in budget allocations for libraries, laboratories, scholarships, faculty improvement programmes, etc. Serious effects on the quality of higher education were also widely felt.

In terms of relative priorities as well, higher education suffered severely. Share of higher education in national income indicates the relative priority the government gives to higher education. Available statistics show that the importance given to higher education has declined steeply, with the share of higher education in GNP falling from 0.46 per cent in 1990-91 to 0.35 per cent

Table 1: A Chronology of Some Important Events in Higher Education in India during the 1990s

1990	World Conference on EFA at Jomtien*
	Adoption of 'New' Economic Policies in India
1992	Supreme Court Judgment (Mohini Jain versus Government of Karnataka)
1993	Supreme Court Judgment (Unnikrishnan versus State of Andhra Pradesh)
	UGC (Justice K Punnayya) Committee Report on Mobilisation of Resources in Central Universities
1994	AICTE (D Swamindhan) Committee Report on Technical Education
	World Bank paper on higher education*
1995	Introduction of Private University Bill in Rajya Sabha
1997	Discussion Paper on government subsidies in India
1998	Unesco Conference on Higher Education*
2000	Taskforce Report on Higher Education and Society (Unesco-World Bank...)*
2000	Prime Minister's Task Force (Ambani-Birla Committee) Report on Education
2001	World Bank Report on Knowledge Societies*

Note: * Outside events with implications for higher education in India.
Source: Tilak (2003b).

Table 2: Government Expenditure on Higher Education in India (Rs in crore)

	State			Union			Total		
	In Current Prices	Union	Total	State	Union	Total	State	Union	Total
	in 1993-94 Prices			Per cent Shares			in 1993-94 Prices		
1990-91	1836.4	475.5	2311.9	79.43	20.57	2493.9	645.7	3139.7	
1991-92	1948.1	495.6	2443.8	79.72	20.28	2325.4	591.6	2917.1	
1992-93	2195.1	504.8	2699.9	81.30	18.70	2410.1	554.3	2964.4	
1993-94	2589.3	514.3	3103.6	83.43	16.57	2589.3	514.3	3103.6	
1994-95	2841.1	684.2	3525.3	80.59	19.41	2592.3	624.3	3216.6	
1995-96	3158.1	713.2	3871.3	81.58	18.42	2643.1	596.9	3240.0	
1996-97	3571.4	716.5	4287.9	83.29	16.71	2784.5	558.6	3343.1	
1997-98	3921.0	938.1	4859.1	80.69	19.31	2864.0	685.2	3549.2	
1998-99	4516.8	1600.0	6116.8	73.84	26.16	3054.3	1081.9	4136.2	
1999-2000	6047.0	2201.4	8248.4	73.31	26.69	3936.1	1433.0	5369.1	
2000-01RE	7750.7	2591.2	10341.9	74.94	25.06	4838.3	1617.5	6455.8	
2001-02BE	6934.5	1642.7	8577.2	80.85	19.15	4188.1	992.1	5180.2	

Source: Based on *Analysis of Budgeted Expenditure on Education* (various years).

Table 3: Public Expenditure on Higher Education per Student (Rs)

	In Current Prices		Index
	In Current Prices	In 1993-94 Prices	
1990-91	5652	7676	100.00
1991-92	5636	6727	87.64
1992-93	6111	6710	87.42
1993-94	6738	6738	87.78
1994-95	7329	6687	87.12
1995-96	6944	5812	75.72
1996-97	7207	5619	73.20
1997-98	7793	5692	74.15
1998-99	9536	6448	84.00
1999-2000	10683	6954	90.59
2000-01RE	11989	7484	97.50
2001-02BE	9723	5873	76.51

Source: Based on *Analysis of Budgeted Expenditure on Education* (various years).

in 1997-98, as shown in Table 4. It's only in the latter years, some increase in the ratio can be noted. Note that India was spending about 1 per cent of her GNP on higher education at the beginning of the 1980s.

Share of higher education in the total government expenditure may tell us more clearly about the priority that the government attaches to higher education, as the government has more direct control on its own expenditure than on national income as a whole. As a per cent proportion of total government expenditure, the share of higher education declined from 1.57 per cent in 1990-91 to 1.3 per cent in 1996-97; it has increased in the later years to 1.76 per cent in 2000-01 (revised estimates), but according to the budget estimates, it declined steeply again to 1.33 per cent in 2001-02, i e, to less than the 1990-91 level.

More strikingly, allocations to higher education in the Eighth and the Ninth Five-Year Plans reached the all-time bottom levels. Though plan expenditures in education are generally small compared to huge non-plan expenditures, since they set directions for future development, allocations in the five-year plans assume much importance. Hardly 0.3 per cent of the total five-year plan expenditure in the Eighth Five-Year Plan was devoted to higher education, compared to 1.2 per cent in the Fourth-Five Year Plan. Interestingly, contrary to general beliefs, the declines in allocations to higher education has not necessarily benefited elementary or secondary levels of education in terms of increased allocations. (Table 5).

Whenever there is a cut in public expenditure on education, it is the quality and more importantly equity that get traded-off [Tilak 1998]. One can also note a steep decline in the budgets for scholarships in higher education, that have great potential for promoting equity in higher education, as a large proportion of scholarships are meant for weaker sections. Scholarships however constituted a very small proportion of total expenditure on higher education (Table 6). But there was a steep decline in the small proportion: it declined from 0.5 per cent in 1990-91 to 0.15 per cent in 1999-2000. Even in absolute terms, there was a decline in real prices.

The above trends indicate the government's reluctance or 'unwillingness' to spend on education, more specifically on higher education [Tilak 2003c]. Why is the government unwilling to spend on higher education? This will be briefly explored later.

Financial Reforms

Once the government has initiated economic reform policies, and had frozen budgets for higher education, financial reforms were unveiled. First, search for non-governmental resources for higher education started. The government of India appointed two committees – one on central universities, under the chairmanship of Justice K Punnayya [UGC 1993], and another on technical education institutions under the chairmanship of D Swaminadhan [AICTE 1994], to outline methods of mobilisation of resources for higher education. Both committees seemed to have worked parallel to each other, and submitted their reports almost at the same time in 1993-94. The message and the recommendations originating from both committees were more or less identical. Though both stressed the importance of state financing of higher education, and argued for a firm commitment on the part of the government to finance higher education – a recommendation that was completely ignored, both suggested several measures to mobilise non-governmental resources for higher education. The

recommendations that attracted the attention of the government include (i) raising fee levels, (ii) raising of resources by the institutions through consultancy, and sale of other services, (iii) introduction of self-financing courses and (iv) introduction/revitalisation of student loans.

The government found it very convenient to accept these recommendations and to act upon them, as these recommendations are also in conformity with some of the important components of the macroeconomic policies of structural adjustment that were adopted by the government at the same time and also with the recommendations of the World Bank outlined in its policy paper [World Bank 1994]. Following from these recommendations, several committees were constituted by the central and state governments [e.g. UGC 1997, 1999, 2000], to work on the nitty-gritty of the fee reforms; whose recommendations again received favourable attention of the government of India and the UGC.

As a result, many universities have made very significant upward revisions in fee levels, besides introducing different kinds

Table 4: Higher Education: Relative Priorities

	Government Expenditure on Higher Education as	
	Per Cent of GNP	Per Cent of Total Government Revenue Expenditure
1990-91	0.46	1.58
1991-92	0.42	1.43
1992-93	0.41	1.42
1993-94	0.40	1.42
1994-95	0.39	1.40
1995-96	0.37	1.35
1996-97	0.35	1.30
1997-98	0.35	1.31
1998-99	0.43	1.39
1999-2000	0.47	1.61
2000-01RE	0.54	1.76
2001-02BE	0.41	1.33

Source: Based on *Analysis of Budgeted Expenditure on Education* (various years).

Table 5: Share of Different Levels of Education in the Total Expenditure in the Five-Year Plans
(Per cent)

Five-Year Plan	I	II	III	IV	V	VI	VII	VIII	IX
Elementary	4.3	2.0	2.3	1.5	0.8	0.8	1.3	2.1	3.2
Secondary	1.0	1.1	1.2	0.9	0.4	0.7	0.8	0.8	1.1
Higher	0.7	1.0	1.0	1.2	0.5	0.5	0.5	0.3	0.5

Source: Tilak (2003c).

Table 6: Public Expenditure on Scholarships in Higher Education
(Rs crore)

	In Current Prices	In 1993-94 Prices	Per Cent of Total Expenditure on Higher Education
1990-91	11.30	15.35	0.49
1991-92	13.00	15.52	0.53
1992-93	12.60	13.83	0.47
1993-94	13.40	13.40	0.43
1994-95	14.00	12.77	0.40
1995-96	14.70	12.30	0.38
1996-97	17.10	13.33	0.40
1997-98	13.40	9.79	0.28
1998-99	20.30	13.73	0.33
1999-2000	8.99	5.85	0.15
2000-01RE	19.36	12.09	0.25
2001-02BE	20.69	12.50	0.30

Source: Based on *Analysis of Budgeted Expenditure on Education* (various years).

of fees. A recent study [Tilak and Rani 2000] found that out of 39 universities studied, more than half a dozen universities raise fee rates in such a way that they generate more than 50 per cent of the total recurring income of the respective universities from student fees; and another 13 universities could generate more than 20 per cent. In many developed countries, fee revenues hardly constitute 15-20 per cent of the costs of higher education; in fact, the figures are much less, not to speak of zero levels in Scandinavian countries among others [Tilak 1997, 2003a].

A large number of universities have also launched 'self-financing courses', mainly to generate additional resources for the universities. Even some of the 'best' universities – central and state – have found it convenient to introduce self-financing courses even in disciplines such as social work, anthropology, human genetics, etc. that are otherwise provided as normal courses in different universities, charging often fees much higher than the costs, exploiting the 'excess demand' phenomenon in higher education in India.

Thirdly, with the support of UGC, a large number of universities have also set up university-industry cells to promote close links between the universities and the industrial sector, again essentially with an objective of raising resources from industry. Though public-private partnership has become a buzzword, many realise that it is not 'partnership', but a deal, a business deal to make education and research in higher education institutions, not socially relevant, but market-relevant.

Fourthly, though an Educational Development Bank of India, as suggested by the AICTE Committee could not be set up, student loan schemes are floated by almost all public and private sector banks. These loan schemes are operated on commercial lines, caring neither for education background of the students nor their economic background. They are merely known as education loans, but are almost like any other loans such as car loans, or housing loans. Basically student loans shift the responsibility of higher education from social domain (state responsibility) to household domain and within households from parents to the children – from present to the future. The philosophy of loans treats higher education as a highly individualised commodity, as against the well-acknowledged public good nature. Without noting such inherent weaknesses, many (including Kalam 2003) advocate student loan programmes and the widening of the same by making interest rates cheaper, etc.

Public budgets for higher education were shrunk drastically during the 1990s, and it was not forecasted to be anything better in the near future. The government of India's (1997) discussion paper on 'Government Subsidies in India' provides an insight into the government thinking. For the first time higher education (and also secondary education – rather education above elementary level) was classified in the discussion paper as a 'non-merit good' (and elementary education as a merit good); government subsidies to which would need to be reduced drastically [Srivastava and Sen 1997]. This classification of higher education as a non-merit good seems to be the unique attempt made in India only. This is a major revelation of the thinking of the government of India on higher education in India. Very few have earlier advocated similar opinion favouring a drastic reduction in public subsidies to higher education [e.g. Dandekar 1991].

In a sense, public policies and action that preceded and followed this statement seemed to have embedded in such a view, though the ministry of finance has partly modified its earlier classification of goods into of merit and non-merit nature. It reclassified

higher education into a category called 'Merit 2 Goods', that need not be subsidised by the state at the same level as the merit goods [Srivastava and Amarnath 2001].

An important development of the 1990s refers to sustained efforts towards privatisation of higher education in India. Besides making significant efforts towards financial privatisation of higher education, through reduction in public expenditures, and introduction of cost recovery measures, broadly in conformity with the structural adjustment policies, which include liberalisation, privatisation and globalisation (LPG) policy measures, efforts were also initiated towards 'direct' privatisation of higher education.

The historical judgment of the Supreme Court in 1992 that practically banned capitation fee colleges, stating that capitation fee is 'patently unreasonable, unfair and unjust' was followed by another historical judgment in 1993 that paved the way for the growth of the same capitation fee colleges, under the name of self-financing colleges. Elaborate mechanisms were developed by the government that helped in proliferation of self-financing capitation fee colleges in the country. Today such colleges in engineering and management education outnumber public institutions, by several times. In fact, in absolute numbers, and also as a proportion of the total, government colleges turn out to be negligible. For example, in Andhra Pradesh there were 95 private self-financing engineering colleges, compared to 11 government colleges; similarly there were 303 self-financing medical colleges, compared to 25 government colleges (2000-01). The casualty is not just equity, which is well known, but also quality of higher education.

Further, a Private Universities Bill [Government of India, 1995] was introduced in the Rajya Sabha in August 1995, with a view to provide for the establishment of self-financing universities. The bill is still pending in parliament. It is widely felt that the bill was not processed and passed in the parliament, not because the government was not keen on privatisation of higher education in India, but because the private sector was not happy with several clauses in the bill. For example, the bill requires formation of a permanent endowment fund of Rs 10 crore, provision of free-ships to 30 per cent of the students, and for government monitoring and regulation of the system. The government's lack of clarity on how to go ahead on the issue was clear in a statement made by then minister for human resource development in a meeting of the synergy group on education. The minister was reported to have made three rather inconsistent statements in one go: higher education would not be privatised; the private university bill was under consideration by the government; and private initiatives would be sought of the expansion of higher education (*The Times of India*, July 25, 1995).

Finally the government appointed a committee headed by two noted private sector industrialists Mukesh Ambani and Kumaramangalam Birla, to suggest the needed reforms in education sector, along with other sectors. The Ambani-Birla Committee (ABC) was constituted by the prime minister's council on trade and industry. The Ambani-Birla Committee [Government of India 2000] though noted the critical importance of the role of the state in development of education, including higher education in several developed countries of the world and strongly suggested that government in India should leave higher education altogether to the private sector in stocks and barrel, and the government should confine itself to school education. Further, it pleaded for legislation of the private university bill and also suggested that user pay principle be strictly enforced in higher

education, supported by loans and grants to economically and socially backward sections of society. The committee however, did not feel the need to provide any rationale for its suggestions.

Though the private university bill was not yet through the parliament, and the recommendations of the Ambani-Birla Committee report have per se not been accepted, several initiatives taken by the government might suggest that higher education system is getting rapidly privatised, and perhaps there was no need for a specific bill in parliament. On the one hand, for example, a few private institutions of higher education have been virtually given the status of the universities, by recognising them as 'deemed universities.' A few universities (for example, the Guru Gobind Singh Indraprastha University in Delhi) are created, that consist of only affiliating private self-financing colleges. A few other private institutions (e.g. international business schools, IITs, etc) are allowed to actually operate almost as universities or equivalent to universities offering degrees and diplomas. All this is in addition to allowing rapid growth of private self-financing institutions at college level, and conversion of government-aided private institutions into private self-financing (or unaided) institutions in several states. On the other hand, once the union government took a passive posture, and began to adopt minimal state interventionist strategy, state governments suddenly and conveniently realised that education was after all a concurrent subject, an aspect that was again conveniently forgotten when the 93rd amendment (as the 86th bill) was pending before the parliament for about seven years, and that they themselves could enact bills. Accordingly a few state governments have enacted private university bills of their own, and private universities have sprung up in large numbers almost overnight.

Faulty Assumptions in Higher Education

Why apathy for higher education? Why is the government unwilling to give priority to higher education? That the quality of higher education is poor, is not much relevant, higher education serves only to the baby-sitting role, it increases unemployment, teachers do not teach, etc, and hence there is no need to spend on higher education; is really a fallacious argument. These cannot all be causes of government's unwillingness to give priority to higher education; in fact, they can be effects of the government's apathy. There is no need to confuse between causes and effects.

Government's apathy is based on certain faulty assumptions on higher education. The most important assumption that was widely held for a long time was that higher education is not important for economic growth and development. Estimates of rates of return are used in this context. But the limitations of rates of return are now widely known. Further, the rates of return to higher education were also positive and attractive enough to make social investments. Moreover, the importance of higher education for economic growth is also clearly demonstrated by the experience of many developing and developed countries. It is only those countries that have developed their higher education systems, and attained a gross enrolment ratio of at least 20 per cent, could achieve economic miracles, and not the others [Tilak 2003a]. Also the low enrolment ratios in higher education are also associated with low income of the countries.

Second important assumption that was also widely held was that developing countries like India couldn't fulfil their goals with respect to primary education, unless secondary and higher

education are neglected. This assumption juxtaposes one level of education against another, and leads to the fragmented look at education sector. As argued earlier, there are inter-linkages between different sub-sectors of education and all levels of education are important. Further, the government seems to be sharing the widely held belief that development of primary education, at best elementary education, is enough for development of India; or that is the maximum that can be afforded by the poor India. International experience clearly shows this cannot be true. Primary education is necessary for not only education development, but also social and economic development. At the same time the experience also demonstrates that primary education is not sufficient for economic growth and a sustainable development. Societies that have concentrated rather exclusively on primary education and ignored secondary and higher education could not achieve high levels of economic growth. In short, it is not adequate for fast economic growth to exclusively concentrate on primary education.

In the context of globalisation and international competition, higher education also becomes critically important. Higher education cannot wait until primary and secondary education is completely universal or well expanded. The traditional sequencing of first primary education, then secondary education and then only higher education may not work any more. We have also noted earlier that simply cuts in allocations to higher education have not necessarily benefited primary or secondary education.

The third important faulty assumption is: if higher education is important, this can as well be provided by the private sector and that state need not necessarily provide it. State can withdraw from higher education and save its resources and private sector can fill the gap in the development of higher education. But private sector rarely provided good quality education on a large scale in any country. After all, private sector, by definition and nature, is associated with profit, self-interests, and short-term considerations. Wherever private sector expanded, it has created more problems than it solved, in the spheres of quality and equity [Tilak 1991]. Basically, it is not enough if higher education is expanded by any means, say through privatisation. Societies, e.g. Latin American countries, and Philippines in east Asia that are having higher education systems which are predominantly private could not progress much – economically, socially, politically or even educationally. The exceptions are very few, e.g. Korea and Japan. It is only those societies where public higher education system expanded well, such as those in Europe and North America that could reach high levels of development.

A related assumption is that privatisation can be encouraged, but not commercialisation. But in principle and practice, there is no difference between the two. They are two dimensions of the same. Both are based on same principles and considerations, the most important of which being profit maximisation. Private institutions, and also public institutions through cost recovery measures, – all tending to become "entrepreneurial universities" and 'viable' 'commercial' institutions, mobilisation of resources becoming the single most important objective [Raines and Leathers 2003].

That government that aims at transformation of the Indian economy into an east Asian tiger-like economy, could afford to ignore higher education, might mean that it assumes that economic miracles can be created without higher education! It might be assuming that even 'knowledge society' can be built and revolution in information technology can be achieved

without bothering about strengthening higher education institutions.

All these are untenable assumptions. They are faulty, are not borne out of any evidence. In fact, they can be dangerous.

At the international level, two major developments took place in the area of higher education that however, did not influence developments of higher education in India. One was the international conference on higher education that Unesco organised in 1998 [Unesco 1998], having realised that in the context of global EFA activities, higher education was getting neglected. The second one was a report prepared by the Task Force on Higher Education and Society (2000), whose members include, inter alia, staff members of both World Bank and UNESCO. Both the International Conference and the Task Force have highlighted the need to pay serious attention to higher education. These ones and the World Bank's (2002) recent strategy paper on tertiary education argued in a sense a serious u-turn in the policies of the World Bank and of for governments that discouraged growth of higher education in developing countries. But they attracted little attention of the governments in India, which are engulfed in a 'continuing education crisis.'

Concluding Observations

Of all, the absence of a clear coherent long-term policy perspective on higher education in India is the hallmark of Indian higher education of the 1990s and even of the present decade of the 21st century. As a result, either ad hocism continues to prevail, or in the absence of even ad hoc policies chaos is created by the several actors of higher education – government – central, states, UGC, AICTE, universities, colleges and most importantly the private sector. Market forces have become very active; but since the markets in developing countries like India are 'incomplete' and 'imperfect', the outcomes are also far from perfect, and in fact, in some areas, are disastrous.

In sum, the recent trends indicate a growing public apathy for higher education, followed by reduction in public expenditures on higher education. Along with all these, absence of any policy on development of higher education, that is helping erratic and unregulated growth of private higher education, may lead us to argue that we are rapidly marching towards laissez-faireism in higher education in India. These could be attributed to the faulty assumptions that (a) higher education is not important for development and (b) the state can as well withdraw from its responsibility of providing higher education in favour of the markets. The doctrine of laissez-faireism, which means minimum state intervention and allowing of activities to take their own natural course, was described by Thomas Carlyle as 'anarchy plus the constable'. Since the constable is weak, we have only anarchy in the higher education scene in India. **EPW**

Address for correspondence:
jtilak@vsnl.com

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