

Indian higher education system commerce essay



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The goal of this report is to provide a general outline describing the current crisis in India involving the university system and provide information on possible solutions. The outline will provide a consultation to any group looking to invest or establish operations in the Indian marketplace. Why look at the education market in India? India has a rapidly developing economy and offers substantial opportunities for any business to expand its activities and profitability. One half of India's population is under the age of twenty five, (Bagla, 2010), and combined with the expanding globalization of the business environment; India is a lucrative market for any business, including education.

Many U. S. Universities and colleges are looking to expand into India as globalization broadens education as well as business. A basic background on the educational situation in the region is essential. Not only to provide value and insights on the nature of the market for higher academic institutions, but an educational outlook of potential employees in the region. India is a complex place with complex regulations which make it very difficult for foreign institutions to enter the market without a partner. The information in this report will outline some of the difficulties of such a task as well as an overview of the higher education system in India. It appears the most efficient means of reaching all populations across demographics and social classes in India could be answered by for-profit institutions, the Indian Central Government favors another route. The next best-case scenario involves foreign institutions partnering with Indian higher learning institutions. While it does not appear to be as quick of an answer to educate more individuals as fast as possible like for-profit institutions, it will alleviate

one of the main concerns of improving the quality of higher education across India.

An unfortunate byproduct of India's explosive growth rate is the development of quantity over quality in its high education system. While India has the labor, a growing shortage of educated labor is sure to halt such expansion. If India is to keep pace with current growth rates it will need to produce a more skilled, higher educated workforce. Not only does India need to increase the amount of skilled workers, they need to do so quickly without sacrificing quality. The continued growth of the technology-based services, addition of new skills and services, and the hopes to be globally competitive are beginning to uncover some of the limitations in India's skilled and educated population. As the age of the current population continues to increase and the social status elevates to produce a larger middle class; India will be left with few options if it is to continue to grow. To delay, or wait for the Indian university system to catch up could be devastating to the economy. Already, tech firms in India are scrambling to fill the domestic demand for qualified knowledge workers. It is only a matter of time before another business sector starts to feel the pinch.

Many of India's higher education challenges stem from poor reputation, over-saturation of the marketplace, and absence of national standards. To keep pace, India will need to look at granting foreign universities the opportunity to offer degrees in India as well as increase the academic standards of current universities and colleges. Other ideas include setting up vocational and technical colleges to help in the short term or allowing for-profit colleges into the system. Currently the Indian government forbids such institutions

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from operating within the country. To change policy would require significant reforms in the central government education policy. Because of such regulation the most likely scenario involves encouraging more foreign institutions to enter the market. Not only will these degrees hold more value, they can also bring their resources and reputation to an already underperforming educational market.

Overview

A sense of urgency has developed around higher education in India over the past few years and there are several reasons for this recent focus. First, blame for skill shortages in several sectors of India's economy has been placed on the weak higher education system. Second, reservation quotas in higher education institutions, especially the more reputed institutions that provide access to the higher status and best-paid jobs is still a highly contested issue. Reservation quotas are a form of affirmative action in India designed to improve the well-being of under-represented communities due to their caste. Third, arguments have been made the country will not be able to sustain current growth and maintain competitiveness unless issues with higher education are corrected. Last, demand for higher education continues to outpace supply due to a growing population of young people, gains in school education, the growing middle class and their rising aspirations. More than five million Indians enter the 15-to-24 age group every year, adding a demographic push to increase demand for more colleges and universities (Agarwal, 2010). Properly educated and employed, these young people could bring the country the surge in growth it needs to sustain current growth

rates. However, if India does not create high-quality colleges for its youths, it risks creating a demographic disaster.

India's higher education system has seen a massive increase in recent years, both in terms of the number of institutions as well as the student enrollment. India has more than 400 universities and over 20,000 colleges, of which almost half were set up in the last decade (Agarwal, 2010). Yet, despite having more higher education institutions than any other country in the world, hardly any are among the leading institutions in the world.

Since India first achieved independence, higher education has always been critical to India's growth. As the population and economy continue to grow, so does the demand for higher education. Companies entering into the Indian market are no longer satisfied with the abundance of labor India has to offer. Now, skilled workers are needed to fill positions for India's growing service-based economy. This ongoing education boom has resulted in India having one of the largest higher education systems in the world, enrolling more than 12 million students (Makar, 2008). Growth in numbers, however, has not been accompanied by an improvement in the delivery of higher education and overall value once entering the job market. Severe shortages of faculty and poor infrastructure have drastically impacted results, with less than a handful of Indian institutions achieving global recognition. The Indian Higher Education system continues to be bogged down by the challenges of inadequate access, poor quality and inequality. Issues of fair access and affordable participation in higher education are critical if India is to empower its people with educational opportunities that allow individual potential to be

fulfilled, and allow more Indian graduates opportunities for employment and to compete in an international arena.

Another issue is determining where graduates will go. More and more young adults and women graduate from universities and colleges. As this number grows the current Indian economy has been able to sustain the increasing number of educated workers. The Central Government estimates around 2 million people will be added to the unemployment ranks each year (Makar, 2008). How many unemployed persons can the economy hold? India not only needs better educational programs but more diversified programs as well. It needs programs which are able to adapt and adjust to the changes demands of the economy. The current need is to upgrade the Indian Higher Education system. With higher quality education, institutions can train the increasing young adult population in multiple sectors of the economy to be able to compete internationally.

Education, Government and Policy

India has consistently displayed a high rate of economic growth in recent years and has now become a major player in the global knowledge economy. India is increasingly being viewed as an emerging global power, a power that will shape the global balance of power in the 21st century. Still, there are enormous obstacles India will have to overcome in order to sustain its present economic growth. One of the most significant is the crisis in the higher education system. An issue which sometimes goes unnoticed among the engineers, doctors and managers emerging from India's premier institutions such as the Indian Institutes of Technology and Indian Institutes of Management.

Skill-based activities have made significant contribution to India's continued growth growth. Such activities depend on the large pool of qualified manpower that is fed by its large higher education system. It is widely accepted how higher education has been critical to India's emergence in the global knowledge economy and industries routinely point towards huge skill shortages argue the current rate of economic growth may not be sustained unless the problem of skill shortages is addressed. The skill shortages occur because there appear to be endless problems with the higher education system. The system produces graduates that are unemployable, even with skill shortages in a number of sectors.

Additional higher education challenges relate to poor reputation of current institutions, over-saturation of the marketplace, and the absence of national standards. Standards of academic research in India as a whole are low and declining as a result of the cluttered academic environment. Many of the problems are driven by a difficult to manage affiliation system. The system is highly fragmented, scattered and difficult to manage. There is a strong case for consolidation of institutions across India. Inflexible academic structure is a second issue. The system needs to be revamped to allow more creativity and innovation. Current curriculums are too traditional and need to be more dynamic and connected with the real world. Additionally, a growing of number engineering and management colleges have largely become purely business entities concerned only with profits and are dispensing very poor quality education to students.

Little public funding exists for higher education and when available it is unfairly distributed. Nearly one-third institutions do not receive any

government funds at all. Of the remaining, about half get some funding from central government. In fact, eighty-five percent of central funds go to only a handful of central institutions and these schools enroll less than two per cent of the students in India (Bhatia & Dash, 2010). The bulk of the higher education systems depend on the state governments, most of them facing their own financial crunch.

In addition to funding, declining autonomy of academic institutions has been an issue for years in India. Only recently have some universities been able to control academic matters including flexibility and innovation. This is because the regulatory power rests with the University Grants Commission. The name of the University Grants Commission (UGC) is misleading because the role of the commission is much greater than giving grants to universities and colleges. Its more important role is to raise and maintain academic standards in higher education, frame policies and to advise the Central and State governments on the subject of expanding and improving higher education. As a result, academic decisions such as; framing the syllabus, conducting of exams, restructuring courses, and change in nomenclature of course have been controlled and decided by the UGC instead of a college's governing body. The commission has not evolved its standards in over fifty years and no longer keeps up with educational standards abroad.

The higher education system in the country is governed by multiple agencies with UGC as the top governing body. The rules and regulations established by these agencies combine to make the higher education system extremely complex, especially when you consider the multiple agencies involved. Some of the influencers in the regulatory framework in India include: State

governments, thirteen professional councils similar to the University Grant Commission, All India Council for Technical Education (AICTE), and five professional councils at the state level like Rehabilitation Council of India (RCI) (Bhatia & Dash, 2010). This complex regulatory arrangement of higher education in India is widely considered to be dysfunctional due to highly detailed, time-consuming and nontransparent regulations. It is these regulations that do not allow institutions to respond to changing needs of the Indian economy and society as a whole.

Historically there has been little informed public debate on the issue of higher education in India. It is widely held that policy suffers from several systemic deficiencies because it is driven by populism and in the absence of reliable data. More than forty-five years ago while analyzing the crisis in Indian education, Nobel prize winner Amartya Sen, a world-renowned economist, pointed out that the failures in policy-making in the field of Indian education can be attributed to administrative neglect or to thoughtless action by policy makers (Sen, 1998). Sen argued policy should include the analysis of the characteristics of the economic and social forces operating in India. He emphasized the government's tendency to formulate educational policy based on public pressure and as a result, the wrong policies are often pursued. It is widely believed policy-making suffers from similar failure even today. Rather than realistic and applied practices, it is populism, ideology and vested interests that drive policy. Policy makers seek to achieve arbitrarily set goals that are often elusive and unobtainable. Giving more power to individual institutions in regards to decision making would allow

them to make changes proactively to keep pace with the changing responsibilities of society.

Accreditation and Quality

The regulatory structures in the current higher education system are troublesome.

Entry through legislation alone is a formidable barrier. Establishing a university in India requires an Act of the Legislature of Parliament (Bhatia & Dash, 2010). The university route is much too difficult for new institutions. The consequence is a steady increase in the average size of existing universities with a steady deterioration in their quality of education. In India, accreditation is performed by government agencies. The National

Assessment and Accreditation Council (NAAC) was set up by the UGC in 1994 to accredit higher education institutions. However, very few institutions have applied for accreditation by the NAAC, partly because of the rigid criteria they are weighted on. Many lack sufficient infrastructure and/or suitable faculty. As of 2010, only 140 out of 355 public universities and 3492 out of 18, 064 public colleges have completed accreditation (Bhatia & Dash, 2010). In addition, a government regulator that focuses on technical schools named 340 private institutions across India which offers courses without its accreditation.

The higher education commission of India recently released a list of twenty-one fake universities, many of them no more than a mailing address or signboard hanging over a shop, temple or office space. Poorly regulated, unaccredited and often entirely fake colleges have sprung up as demand for <https://assignbuster.com/indian-higher-education-system-commerce-essay/>

higher education accelerates, driven by rising youth population and aspirations for a better life. In some cases these schools offer degrees without taking a class. India has so many regulatory barriers that is discourages honest deters honest groups from setting up colleges and encourages those willing to pay bribes and corrupt the higher education system. With much of the government's money directed toward combating rural illiteracy by boosting primary school education, the private sector has filled the gap for colleges. Even so, many of India's colleges and universities, both private and public, face acute shortages of faculty, ill-equipped libraries, outdated curriculums and poor infrastructure.

Infrastructure has a meaning in education as well as transportation, energy and retail. World-class universities and schools should have world-class libraries, laboratories and classrooms, in a building worthy of such education to make a world class infrastructure in India. India needs top-notch infrastructure and better talent in all schools and universities. These resources should not remain limited to a handful of IT and Management Institutes. Each village should have a school with all resources and facilities. Each university should have whatever it needs for a better education. This would require huge amounts of money and hence, huge investments. While India might not necessarily have the resources to invest in such areas, public and private institutions in other countries do.

For-Profit Institutions

India's goal is to increase enrollment in higher education to thirty percent by the year 2020, meaning forty million more students will be added to the system (Ernst & Young, 2011). Left to public options alone this will be

difficult to achieve. India needs significant participation from the private sector to achieve such goals. The Indian government should consider allowing for-profit education as long as there is a plan in place for a regulatory framework to ensure the for-profit institutions adhere to a certain educational standards. Private investment will allow the educational system to expand capacity much quicker than if left to the governments. India would need a \$200 billion investment to add twenty-five million higher-education seats by 2020, half of their goal (Ernst & Young, 2011).

The issue at hand in the for-profit realm is the Indian government is not in favor of allowing the schools in. Even the Prime Minister weighed in on the issue. Claiming he does not want student fees giving dividends to shareholders. He is interested in having U. S.-based universities and community colleges find partners in India in forms of twinning arrangements, joint degrees and diploma courses (Wired Academic, 2011). For-profit institutions such as the University of Phoenix and Cappella University for the U. S. as well as BPP College of Professional studies in Britain have been some of the schools desperately lobbying to set up shop in India.

To avoid the difficulties of working with the Indian governments, one school even looked out of India to expand. The Manipal Group was born in 1953 as India's very first privately run medical school with campuses in India with over 20, 000 students in engineering, management and medical schools (Rai, 2012). Manipal bypassed India's highly regulated educational system and expanding overseas with conventional campuses. Schools and colleges in India are run only by non-profits, the group is profitably delivering distance education and providing testing and training services. Manipal University
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alone receives 90, 000 applications annually, but intake is 4, 000 in medical, engineering and other schools (Rai, 2012). The government keeps a tight lid on intake, making it difficult to finance domestic expansion. If India had an open door education policy, Manipal would not have looked to expand outside of India. Their resources could be used to help in India. Manipal was able to create campuses in Malaysia and have them up and running within thirteen months. The permit process in Malaysia only took three months. By comparison, expansion permits in India take much longer. A permit to expand in Jaipur took two years to receive and another for a facility in Bangalore is still in progress, both applications were sent at the same time (Rai, 2012). The issue to go overseas reflects the belief shaping India's education policy. Youth are a formidable part of the economic promise of the 1. 2-billion-people India. But India's ban on for-profit investment in schools and colleges has choked funding and expansion of quality for-profit institutions.

In the U. S. for-profit institutions of higher learning are considered by many to be more flexible than traditional nonprofit colleges and universities. Many for-profit schools have campuses throughout the country as well as numerous online programs, allowing students to more easily find programs that fit their needs.

Many proponents of for-profit institutions also contend that these schools are much more responsive to the needs of its students, especially their adult learners. Because such schools are for-profit, they must continually respond the changing needs of students in order to succeed in a free-enterprise system. In India, such a structure would allow for curriculums to be rapidly

developed, enhanced or adjusted for specific sectors of the economy. In addition, this need to remain competitive can help drive new innovations and improvements at for-profit schools at a possibly faster rate than at nonprofit colleges and universities.

For many students, for-profit schools might be preferable because their curriculum often provides a greater focus on job-specific programs. In the U. S, for-profit institutions have demonstrated a greater likelihood to serve lower income, minority and first-generation college students. In India, for-profit institutions may eliminate barriers to post-secondary education previously unobtainable to certain members of society due to religious, social, or demographic affiliation. Hence, it would provide much easier access to education, even to rural areas.

While this seems to be the most efficient means to bridge the education gap between demand and supply in India, it will likely not be implemented anytime soon. India currently has enough issues with their education system as there is a drastic drop from 1st to 2nd tier schools. In the past, policies of quantity over quality have allowed schools to operate without any accreditation whatsoever. In some cases individuals are completing degrees that are meaningless and of no use to them applying for jobs. If such a for-profit institution were to be allowed into India, students would know their degree is coming from a well established, accredited foreign institution which would hold value in the workplace. Still, without drastic reform from the governing bodies, for-profits are an unlikely solution.

Foreign Universities

If students want a good university education in India they have two choices: be born brilliant and study incredibly hard to gain entry into one of the country's few world-class engineering, science or medical schools; or head overseas. Only a few thousand students a year are lucky enough to make it via the former route, while around 130, 000 students a year, who don't quite make the grade at the best schools at home but can afford to pay for a foreign education, end up studying abroad (Agarwal, 2010). The Indian government says it will increase enrollment in state-run universities by more than 50% in the next three years. More importantly, the government is also considering allowing foreign universities to open up campuses in India, either on their own or in partnership with local schools.

India has wonderful potential, but university education is a rare privilege in the world's second most populous nation. Fewer than 17 million out of India's 1. 2 billion people have been lucky enough to study past high school (Bagla, 2008). India needs educated workers. Despite its economic boom and massive young population, India faces a serious skills shortage. Wage rates are growing by 20% a year, sometimes more, as Indian companies battle to attract educated workers. It helps that as opportunities at home improve, more students are deciding to return to India after their studies abroad, reducing the brain drain of India's top talents. But if the world's universities can set up shop in India, not only will more Indians get a chance at a good education, fewer students will have to leave India in the first place.

For decades Indian students' favorite destination has been the U. S.

According to a report by the U. S.-based Institute of International Education, <https://assignbuster.com/indian-higher-education-system-commerce-essay/>

104, 897 Indians currently study in America, the biggest single group of foreign students in the U. S. ahead of Chinese and Koreans (Institute of International Education 2011). In 2006, the number of students was 76, 503 (Institute of International Education 2011). An interesting fact is almost three-fourths of Indian students studying in the U. S. are graduate students, reflecting the massive shortage of graduate programs back home in India. Graduate programs in India have a high applicant, low acceptance ratio. Graduate schools have a rigorous application and selection criteria in India. Most of those students return to work in India, but thousands stay in the U. S., contributing their skills to the world's biggest economy.

Traditionally, Indian students have been heading to universities in Europe, Australia and New Zealand as well. More recently, students have been shifting their focus from popular educational hubs such as the US, UK, Australia and Canada to European and South-East Asian nations because of rising costs of education. While countries such as Sweden, Denmark, Germany, France and Ireland attract students opting for masters in telecommunications, biotechnology, technical and non-technical subjects, Russia, the Philippines, China and Ukraine are increasingly becoming the preferred destination for medical students. (Agarwal, 2010). The international market for students has become a lot more competitive as the number of European universities offering courses in English has risen dramatically over the past few years, making them more attractive to Indian students.

The world's best universities know the Indian passion for education is a potential goldmine and have been lobbying to open up the domestic market

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for years. The gap between India's top schools and the next rank of universities is huge. For a B or C grade student the options are limited in India. But if foreign universities can open up better education to tens of thousands more Indians at home, it will mean means much more opportunity for students and institutions alike.

Many universities have already taken the first steps towards moving campuses over to India. Virginia Tech University opened up a campus in Tamil Nadu. The school hoped to create a place in India where engineers, students, and high-tech science professionals from the United States and India will work together and learn from each other. The plan is an execution of an agreement with a large private sector group fulfills Virginia Tech's desire to have a credible presence in India with ample land for future growth and proximity to a major metropolitan city two hours from Chennai. One of the major benefits some Indian Universities still lack is Virginia Tech will manage the campus and design its academic programs, research facilities, and labs. The university will also promote the idea of education abroad at the new campus and arrange for faculty exchanges.

Other the other side of the issue, Georgia State isn't interested in opening a branch campus in India because it doesn't have the resources, however, the university is interested in partnering with Indian higher education institutions and developing collaborative degree programs. Georgia State's business school already offers a joint, two-year master's program with the National Management School in Chennai, a private for-profit provider whose degrees are not recognized by the government of India. While Virginia Tech graduates have an accredited degree, Georgia State realizes Indian students

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have made the bet that even unrecognized credentials can open doors to better jobs in private industry. Columbia Business School started a student exchange program with the Indian Institute of Management at Ahmedabad. The two institutions teamed up to write case materials devised to teach American students about doing business in India. Columbia is the latest of several foreign business schools to see as a growing trend to train future executives about India. Carnegie Mellon University in Pittsburgh offers Indian students at the Sri Sivasubramaniya Nadar School of Advanced Software Engineering an actual Carnegie Mellon degree. Also, Champlain College, based in Burlington, Vt., runs a satellite campus in Mumbai that offers degrees in one of three career-oriented subjects that college administrators have found to be attractive to Indians: business, hospitality management and software engineering.

While the previous paragraph highlights some of the success stories of foreign partnerships, there are many high-quality foreign collaborations existing alongside collaborations of low quality in India. In an attempt to regulate this market and dramatically increase the capacity of its higher education system, India is working to allow foreign universities to establish branch campuses or otherwise offer government-sanctioned degrees. The Foreign Educational Institutions Bill was approved by the country's cabinet in March and is pending in Parliament. While its form may change, many observers believe it will pass.

Educational Culture Changes

In India, higher education is confronted with formidable challenges and must proceed with the most radical change and renewal it has ever been required

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to undertake. Not only does the higher education system need to react to the changing economic situations but also incorporate deeper socio-cultural dimensions that will include more people in the higher educational system than ever before. Internationalization of higher education in India was shunned for decades by the Central Government. Policy makers only looked at the negative effects and neglected the benefits, such as; improvement in the quality of education, promotion of Indian culture and values abroad, as well as economic and political benefits. Internationalization of education through academic partnerships offers vast possibilities for India and continues to not only a concept but also a transformational process that needs to be promoted by Indian higher education institutions.

Education reforms are high on the agenda of the current government with emphasis on expansion, inclusion, and excellence as the pillar of Indian higher education. India aspires to be powerful, it wants to play a role in the international community, for that to happen, its economy has to grow substantially. It requires a huge force of entrepreneurs who could transform it into a nation which produces, from the one which only consumes. India needs a large workforce of innovators who could make it self reliant in all kinds of sciences and technologies. India also needs artists who could make its culture more popular in the world, not only sell itself, but will helps in selling Indian products and culture abroad.

The current system did not teach younger generations how to become innovators or entrepreneurs. Youngsters in India usually do not have the freedom of selecting their career as decisions on trades and education of often made by higher ups within the family. As a result, younger members

are forced to become engineers, doctors, MBA's and administrative officers. But for those who cannot afford to study at the top tier schools and pay to attend foreign universities, the choices are limited because of the lack of alternative solutions that vocational schools and for-profit colleges have provided in the U. S. The problem is youngsters in India do not have the vision to think beyond. Neither their parents, nor their grandparents had that vision. This is where the root of the problem is. Generations have gone through a system endorses inequality.

The Indian higher education system cont