AN ANALYSIS OF INDIA'S KNOWLEDGE ECONOMY WITH REFERENCE TO HIGHER EDUCATION

Dr N.P.Hariharan*

Prof. G. Raja Rajeswari**

INTRODUCTION:

Knowledge economy is usually associated with higher education institutions, which provide both technical and non technical knowledge. India is a large country with 1,220,200,000 (1.22 billion) of population. The present paper analyses the knowledge economy of India with reference to higher education.

As on January 2011, there are 510 universities in India. Of them, 42 are Central universities, 338 are State Universities and 130 are deemed to be Universities.

TABLE: I

NUMBER OF UNIVERSITIES IN INDIA

S. No	Type of university	Number
1.	Central Universities	42
2.	State Universities	338
3.	Deemed to be Universities	130
Total		510

(Source: UGC report, 2011)

While other universities in the country are established by the State Governments, a Central University in India is formed by the Government of India, by an Act of Parliament. The Government of India is responsible for arranging, allocating and distributing financial resources

* Professor & Division Leader in Economics, VIT University, Vellore.

** Asst Professor in Economics, VIT University, Vellore.

required by the University Grants Commission (UGC) for the establishment of Central Universities in India. Currently there are 40 Central Universities in India.

TABLE: II

NUMBER OF CENTRAL UNIVERSITIES IN INDIA

Time Period	Number of Central University Started
Before Independence	06
1951-60	01
1961-70	01
1971-80	02
1981-90	07
1991-2000	05
2001-09	11
2009-11	09
Total	42

(Source:UGCReport,2011)

In India, state universities are run by each of the states. Following the adoption of the Constitution of India in 1950, education became a state responsibility. Due to the Amendment of the Constitution in 1976, education has been brought under Concurrent List, and it became a joint responsibility of the states and the central government. There are at present 268 State Universities.

TABLE: III

NUMBER OF STATE UNIVERSITIES IN INDIA

Time Period	Number of State University Started
1951-60	40
1961-70	36
1971-80	25
1981-90	55
1991-2000	113
2001-09	69
2009-2010	257

(Source: UGC report, 2009)

As per the record of the Department of Higher Education, Government of in India, there are 127 Deemed to be Universities in India today. The Central Government of India, which establishes the Central Universities in India, is also entrusted with the responsibility of declaring an educational institution as a Deemed University. However the declaration is made on the recommendation of University Grant Commission (UGC) of India. Among other things, the UGC is entrusted with the responsibility of maintaining the standard of higher of education in India.

TABLE: IV

GROWTH OF DEEMED UNIVERSITIES IN INDIA

Time Period	Number of Deemed to be Universities
1950-1960	2
1960-1970	4
1970-1980	2
1980-1990	19
1990-2000	13
2000-2009	90
2010	130

Source: www.goiit.com/.../community-shelf-list-of-all-deemed-universities-in-India

The concept of Autonomous colleges came in to existence only by 1979. At that time, there was lack of enthusiasm among colleges/states to accept the autonomous status. Hence in 1979, only 42 colleges all over the country opted for Autonomous Status, by 1980s, the number of Autonomous colleges increased to 121, and by 1990, there was further increase in Autonomous colleges to 202 and by the new millennium, the number has increased to 324.

TABLE: V

GROWTH OF AUTONOMOUS COLLEGES IN INDIA

Time Period	Number of Autonomous Colleges
1979	42
1980-89	79
1990-99	81
2000-09	122
Total	324

Data compiled from UGC website on autonomous colleges, 2009

At the time of Indian Independence, there were 19 universities in India, in 1997 there were 219 universities and as on 31/12/2009, there are 498 universities in India.

TABLE: VI

STARTING OF HIGHER EDUCATIONAL INSTITUTIONS IN INDIA

S.No	Type of Institutions	1950-60	1960-70	1970-80	1980-90	1990-2000	2000-09	Total as on 31/12/2009
1.	Central Universities	07	01	02	07	05	11	33
2.	State Universities	40	36	25	55	113	69	338
3.	Institutions of National Importance, IITs	4	1			1	8	14
4.	Institutions of National Importance, IIMs		2	1	1	2	1	7
5.	Other Institutes of National Importance	04	02	01	01	03	01	12
6.	Private- Deemed to be Universities	02	04	02	19	13	87	127
7.	Autonomous Colleges			42	79	81	122	324
8.	Total Number of Universities as on 31/12/2009	49	41	29	81	131	167	498

Source: Data compiled from UGC website & MHRD Websites

From the above table, it may be observed that the growth of universities in India have been faster from 1980. There have been increase in the number of state universities and autonomous colleges during 1980s, and the new millennium has seen faster growth rate of central

universities, state universities, deemed to be universities and autonomous colleges. About 38% of the Autonomous colleges, 68.5% of Deemed to be universities and 20.4% of State universities had its origin only in 21st Century.

The share of private unaided higher education institutions increased from 42.6 per cent in 2001 to 63.21 per cent in 2006. Their share of enrolments also increased from 32.89 per cent to 51.53 per cent in the same period. This trend is likely to continue and therefore, it is reasonable to expect that about half of incremental enrolment targeted for higher education will come from private providers. There is a need for the state to recognize the role of the private sector and encourage their participation. There has already been a de-facto Privatization of the professional education sector, with more than 80 per cent of the engineering colleges being privately funded and managed. While there are strict entry barriers for the private sector, there is not enough regulation on the products and outputs of the private sector.[1]

During 2000-2009, 87 institutions have been given the status of Deemed to be Universities, which means that 68.5% of the Deemed Universities are less than ten years old. Of the 27 Deemed Universities in the State Of Tamil Nadu, 23 were given the status of Deemed universities only after 2001. In the state of Maharashtra, the number of Deemed to be Universities is the second largest (20), but only 8 institutions were given the status of Deemed to be Universities during 2000-09. In the state of Karnataka, there are 15 Deemed to be Universities, of which 11 are less than one decade old. The increase in the number of Deemed to be universities is more pronounced only after 1980s, and the rate of awarding deemed university status to institutions reached a crescendo only after the new millennium. The age of the Deemed Universities in India show negative skew ness.

There are about 344,424 students registered under Deemed to be Universities as on 31/03/2008.

TABLE: VII

ALL INDIA GROWT OF STUDENT ENROLLMENT TO HIGHER EDUCATION

Year	Number of Students enrolled
1985-86	4285489
1995-96	6574005
2001-02	8964680
2002-03	9516775
2003-04	9953508
2004-05	10481042
2005-06	11028020
2006-07	11602583
2007-08	12207085
2008-09	1,36,41,808
2009-10	1,48,13,155

Source: UGC Report 2010.

TABLE: VIII

BUDGET ALLOCATION FOR HIGHER EDUCATION

Financial year	Budget Allocation for Higher Education in Crores of Rupees			GDP at Factor cost	Budget Allocation for Higher Education expenses as % of GDP
	Plan	Non Plan	Total		
2000-01	1627.93	3067.45	4695.38	1864301	0.252%
2001-02	1820.00	2495.73	4315.73	1972606	0.219%
2002-03	2124.25	2762.61	4886.86	2048286	0.239%
2003-04	1935.19	2802.10	4737.29	2222758	0.213%
2004-05	2224.15	3000.00	5224.15	2388768	0.219%
2005-06	2710.50	3090.00	5800.50	2616101	0.222%
2006-07	3423.70	3488.39	6912.09	2871120	0.241%
2007-08	3261.35	3136.01	6937.36	3129717	0.222%
2008-09	7593.50	3259.37	10852.87	3339375	0.325%

(Source: 1. Union budget documents for the various years for expenditure on education)

(Source: 2. Central Statistical Organization. for GDP, 2009)

For the period 2000-01, the Plan expenditure on Higher Education has increased at an Annual cumulative growth rate of 18.67% and the CAGP for non plan expenditure on Higher Education is just 0.68%. At an average, for plan and non plan expenditure on higher education, the CAGP works out at 9.76%

For the same period, GDP at factor cost has recorded the CAGP of 6.69%. The percentage of budget allocation on higher education is just 0.325%, which is an abysmally low quantum. Considering the fact that population in India has been growing at an annual rate of 1.80 [2] there is urgent need for increased expenditure on education in general and higher & technical education in particular. The void left behind by the government could be filled only by private capital investment on higher education.

Public expenditure (Centre and States) on education is only around 3.6 per cent of GDP. Government funding of higher education is still below 1 per cent of GDP. The percentage expenditure on University and Higher Education to GDP, which was 0.77 per cent in 1990-91 showed a gradual decrease to 0.66 per cent in 2004-2005. Various committees have unanimously recommended that state funding be increased to 6 per cent. While the Central Advisory Board for Education (CABE) recommends spending 1 per cent to higher education and 0.5 per cent to technical education, the proportions in 2004-05 were 0.34 per cent for higher education and 0.03 per cent for technical education.

India also has one of the lowest public expenditure on higher education per student at 406 US Dollars, which compares unfavorably with Malaysia (11,790 dollars), China (2728 dollars), Brazil (3986 dollars), Indonesia (666 dollars) and the Philippines (625 dollars). In nominal terms the public expenditure per student in higher education stood at Rs. 12518 respectively in 2003-04. The trend analysis shows that the increase is not that marked if we consider the growth in enrolment, with the nominal public expenditure per student in higher education going up by only 40 per cent from 1993-94 to 2003-04. In fact, in real terms, public expenditure per student in higher education has declined from Rs 8361 in 1993-94 to Rs 7117 in 2003-04 [3]

According to National Knowledge Commission report, an anomalous situation has arisen whereby in three professions – engineering, medicine and management- there has been a *de facto* privatization of education so that two-thirds to three-fourths of the seats are in private institutions. But private investment in university education, where more than 70 per cent of our students study, is almost negligible. It is essential to stimulate private investment in higher education as a means of extending educational opportunities. We must recognize that, even with the best will in the world, government financing cannot be enough to support the massive expansion in opportunities for higher education on a scale that is now essential.

The share of private unaided higher education institutions increased from 42.6 per cent in 2001 to 63.21 per cent in 2006. Their share of enrolments also increased from 32.89 per cent to 51.53 per cent in the same period. This trend is likely to continue and therefore, it is reasonable to expect that about half of incremental enrolment targeted for higher education will come from private providers. There is a need for the state to recognize the role of the private sector and encourage their participation. There has already been a de-facto Privatization of the professional education sector, with more than 80 per cent of the engineering colleges being privately funded and managed. While there are strict entry barriers for the private sector, there is not enough regulation on the products and outputs of the private sector.[5]

The 5-year plan allocations direct expansions, improvements, and innovations in the country. Although plan expenditures in education are relatively small as compared to huge non-plan expenditures, they set the direction for future development. The share of higher education in 5-year plan expenditures was as less as 0.7% in the First 5-year plan (1951-56) and gradually reached 1.2% during the Fourth 5-year plan (1969-74), the highest till that point of time; however the expenditures have been on a downswing since then. According to the HRD annual report 2007-08, the Eleventh plan outlay for higher education roughly stands at Rs 850 billion, which is nine times more (at current prices) than the Tenth plan expenditure. The plan outlay also aims at achieving a Gross Enrolment Ratio (GER) of at least 15% by the end of the plan period (2007-2012) [6]

In India, 25% of its population is still illiterate; only 15% of Indian students reach high school, and just 7%, of the 15% who make it to high school, graduate [7] As of 2008, India's post-secondary high schools offer only enough seats for 7% of India's college-age population, 25% of teaching positions nationwide are vacant, and 57% of college professors lack either a master's or PhD degree.[8]

Education continues to be the flavor of the season, even in the current budget. The Finance Minister, taking note of the fact that over 784 million Indians fall in the 15-59 age group, acknowledged that continuous education plays a very crucial role, in ensuring that they are employable. Hence the budget too, has raised allocation to higher education by 24% over the

current year and the proposal stands at Rs. 82,000 crore, of which 21912 crores was allocated to higher education. This is about 4.6% of the total budget expenses, but is just about 2.7% of nation's GDP. While the absolute allocation is large, in comparison with the developed world, India still has a long way to go. Most of the OECD nations spend in the region of 4.5% to 6.5% of their GDP in education.

5 UGC Annual Reports 2009

6 Report of the CABE committee on financing higher & technical education

7 India still Asia's reluctant tiger, by Zareer Masani of *BBC Radio 4*, 27 February 2008

8 Special Report: The Education Race, by *Newsweek*, August 18–25, 2011 issue

The allocation is skewed toward primary education rather than technical and higher education. While one cannot dispute the need for universalizing primary education, demographic dividend can only be achieved if the allocation for higher and technical education is raised substantially, that too on an urgent basis.

While the allocation for higher education stands at about 10,000 crores, divide that amongst the 100-odd institutions that central government supports, it translates in to a paltry 100 crores each, which pales in comparison to global standards.

Technical education fares much worse. Of the 6332 crores allocated, a lion's share goes to the IITs and with five new IITs, even they do not receive adequate money required to maintain their academic and research capabilities, let alone compete with global universities. To put it in perspective, the annual budget of Nanyung technological University, at about 4,000 crores is about 60% of our total technical education budget. Collectively the higher education system could only accommodate about 11% of the eligible participants, explaining the mismatched priorities of the present government.

The biggest concern is investment in skill building. Over 90% of eligible youth who pass out from the secondary education system do not move on to higher education system. Add up

those who out of school itself, the number of youth who urgently need skills training assume mind-boggling proportions. But the budget allocates just about 500 crores for National Skills Development Mission. Formed with much fanfare a year back, the National Skills Development Corporation is mandated to train over 1 crore youth in the coming decade. At the end of the first year, all its operational training initiatives have succeeded in training not more than 20,000 individuals, a far cry from the target. Unless the initiative scales up dramatically, training such numbers will remain a pipe dream. In sum, budget leaves a lot to be desired when it comes to allocations for higher education system.

India is poised to be the youngest nation in the world by 2020 with an average age of 29. Unless the policymakers are successful in doing an overhaul, the system of higher, technical and vocational education, to improve quality, relevance and access, India risks frittering away its demographic dividend.

RECOMMENDATIONS OF NATIONAL KNOWLEDGE COMMISSION:

Higher education in India refers to education beyond school (class 12). The medium term macro objective with regard to higher education would be to increase the gross enrolment ratio to at least 15% by 2015. This would imply more than doubling the scale of higher education within the next few years. Further the system needs to be expanded without diluting quality and in fact by raising the standard of education imparted and making higher education more relevant to the needs and opportunities of a knowledge society. There is also a widespread recognition of the need to make higher education more accessible to all sections of society.

The NKC recommendations on higher education were submitted to the Prime Minister on 29th November 2006. The report focused on the need for excellence in the system, expansion of the higher education sector in the country, and providing access to higher education for larger numbers of students. Some of the issues that have been highlighted by the National Knowledge Commission in its report to the Prime Minister are:

- Systemic issues like quantity and quality of higher education
- Regulatory framework
- Access to higher education
- Financing of higher education
- Institutional architecture of universities
- Governance and administration
- Content in terms of curriculum and examinations
- Faculty and Research

QUALITY OF EDUCATION:

Regarding the quality of higher education, Indian universities and educational institutions fare far too badly for this to be attributed to faulty methodology. The highest-ranked Indian institution is IIT, Mumbai, with a rank of 187 in the world. What is perhaps more disheartening is that 35 other Asian institutions have been ranked above it. Clearly, we are falling far behind even countries like South Korea, Thailand, Malaysia and, of course, China and Japan in higher education. The absence of Harvard's and Cambridge in India has resulted in gigantic outflows of the best Indian students leaving the country to study abroad. This migration would not have mattered if it had been temporary. It is not an overwhelming fraction of Indians who go abroad to study do not return to India. The sheer magnitude of the brain drain from India is mind-boggling. India does benefit from their presence abroad through remittances and goodwill earned overseas. But we suffer a far bigger loss because the direct benefits of their skills as managers, doctors, innovators and researchers accrue to the countries where they reside.

India's tertiary education system is one of the largest in the world with over ten million students. Nevertheless, only 1 out of 10 young people has access to higher education, and this is predominantly among the well-off. Tertiary education needs to be expanded, especially among low and middle-income students. This will require reforms in the governance structure of higher education, decentralization, and major investments in faculty development. Since 2000, the World Bank has committed over $2 billion to education in India.[9]:

9 *.www.worldbank.org.in/...)*

Except for funding sources and the variation of funds available, the differences between public and private universities are marginal, and those too artificial. The real distinction that needs to be looked towards is that between a good and a bad university or institution. There are clear examples that – "not all public universities are good and not all private universities or higher education institutions are bad".

In fact, in countries around the world such as the United States, for-profit and non-for-profit institutions of higher learning exist side by side with each other in harmony. For profit institutions need not sacrifice quality and ethics, with good governance and transparency, many of them have grown and maintain standards of accreditation, and produce excellent graduates.

The role of regulatory bodies should be to ensure fair-play, transparency and accountability. It should be non-intrusive and Institution-friendly. All autonomous institutions providing degree and postgraduate diploma courses should come under base
Regulation. Affiliated colleges should be left to the concerned university to ensure minimum standards and quality. Institutions engaged in training and development and providing non-degree courses should be exempt. If the system is to be fair it must be applicable and acceptable to all institutions within the country, leaving no room for "special cases." Instead of one monolithic body doing regulation, accreditation as well as
financing it should be divided into four separate functions with applicable organizations.

There can be multiple accreditation agencies with adequate representation of all stakeholders to ensure competition between them and do justice to large numbers of institutions. Accreditation agencies would check the process and the outcomes to the objectives of that particular institution, and not to accredit a programme per se.

a) Each agency would develop its own criteria and norms for giving out funding and grants, based on the recommendations of its constituents (public, private or both) and the source of its funds

b) Public agencies would be setup for different purposes, for example, the government could setup a education development bank along the lines of NABARD, or an agency setup to govern state directed funding to all public institutions.

c) Regardless of being private or public agencies should be able to choose which institutions and students get the benefit of funds. For example, a public research funding agency should be able to award grants to private institutions based on the merits of the proposals.

d) Independent test providers: There should be the flexibility for multiple test providers to emerge, with a view that the entrance testing does not require extensive coaching and does not interfere with the school education of students. These test providers could be both public and private, and institutions should be free to choose which test providers they accept. Institutions will arrive at a common set of accepted tests for each level, and test providers would be forced to maintain the quality and standards of their tests in order to preserve their reputation with the institutions.

ACCESS TO HIGHER EDUCATION:

The failure of the Indian state more than six decades after Independence to provide universal access to quality schooling and to ensure equal access to higher education among all socio-economic groups and across gender and region must surely rank among the more dismal and significant failures of the development project in the country. It is not only that the expansion of literacy and education has been far too slow, halting and even geographically limited. It is also that educational provision itself remains highly differentiated in both quantitative and qualitative terms.

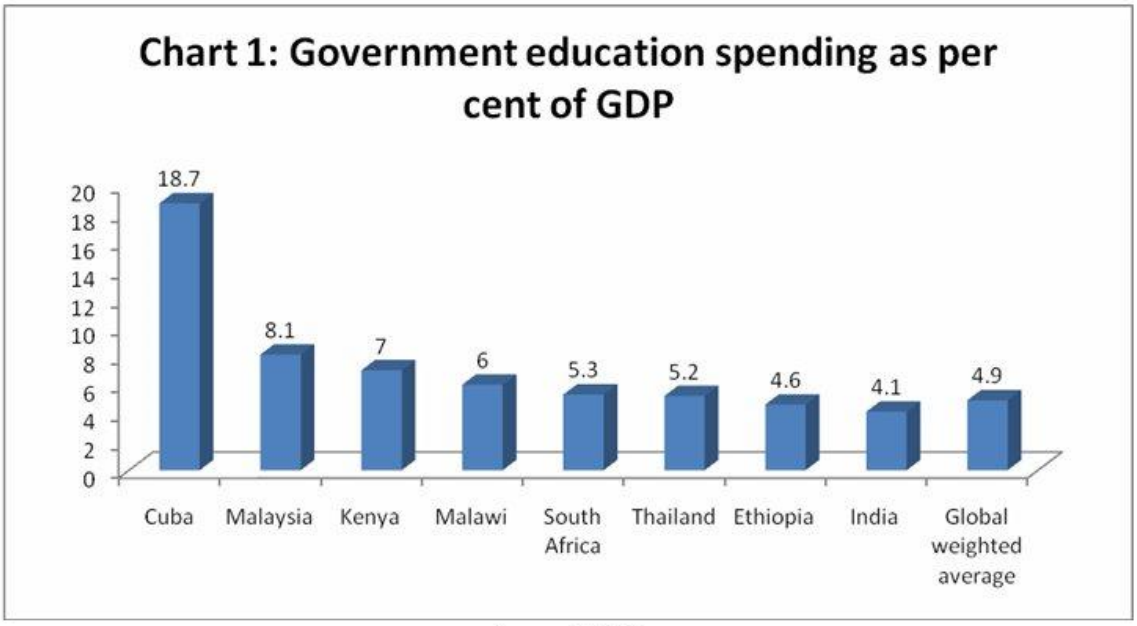
There are huge differences in access to both schooling and higher education across location (rural/urban or state), economic category and social group, as well as by gender. And there are very significant variations in the quality of institution across different schools, colleges and universities, which mean that the experience of education is different for different students.

12.5% of the population between the ages of eighteen to twenty-three opts or has access to higher education. The investment by the government, Rs.40, 000 crores can only support 2.5% of this population, which means the 10% funds education without public funds, and the rest, i.e. 87.5% have no access. Where are the funds, the infrastructure and the institutions going to come from to education the 87.5%? The government clearly does not have the funds or the resources to be able to pay for this vast expansion and under the current framework, with huge hurdles and obstacles, and little incentive, private players are also unlikely to come in large enough numbers to fill the gap.

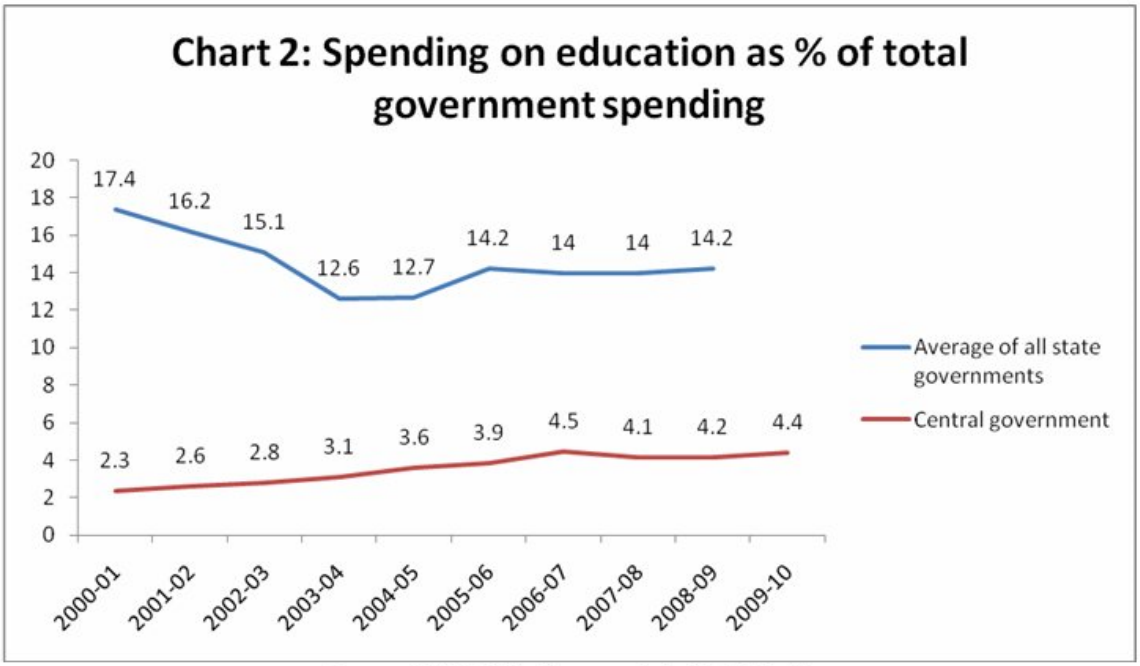
The supply and demand problem is not dissimilar to a few decades ago, where access to basic telecommunications and transport was abysmal. Just as vast amounts of capital was required to truly deliver on the promises of an industrialized modern nation, similarly to fund the education needs of our nature capital must be raised from every possible source. To take an example, for-profit accredited education institutions in the United States are allowed to list on the stock exchange and raise money from the public to provide quality customer driven education.

Hence there is a need for an alternative model especially to have scalability. The solution can only come in a complete reform of the regulatory framework that governs the education system in our country, and a rapid and urgent move away from the license and quota raj attitude and practices not have hobbled the sector. We owe it to the future generations of our nation, and we owe to ourselves, without education our country will not have the foundation to reach the aspirations of its citizens. And of course, when it comes to regulation,

FINANCING OF HIGHER EDUCATION



Source: UNDP



Source: RBI, Public Finances in India 2010-11

According to the United Nations Educational, Scientific and Cultural Organization (UNESCO), India has the lowest public expenditure on higher education per student in the world.

GOVERNMENT SUPPORT: There is no system of higher education in the world that is not based upon significant public outlays. And government financing will remain the cornerstone of any strategy to improve our system of higher education. The present support for higher education, at 0.7 per cent of GDP, is simply not adequate. In fact, over the past decade, in real terms, there has been a significant decline in the resources Allocated for higher education, in the aggregate as also per student. In an ideal world, government support for higher education should be at least 1.5 per cent, if not 2 per cent of GDP, from a total of 6 per cent of GDP for education. This is easier said than done. But the government should Endeavour to reach these levels by 2012. Even this magnitude of state financing, however, would not suffice for the massive expansion in higher education that is an imperative. Therefore, it is essential to explore a wide range of possibilities which can be complements to the increase in public expenditure.[10]

10.National Knowledge Commission Report

After fresh election to the Lok Sabha, the United Progressive Alliance (UPA) Government took office in May, 2004 and adopted a National Common Minimum Programme (NCMP). Following are the extracts from the NCMP which have a bearing on Education. The UPA Government pledges to raise public spending in education to at least 6% of the GDP with at least half this amount being spent on primary and secondary sectors. This will be done in a phased manner. The UPA Government will introduce a Cess on all central taxes to finance the commitment to universalize access to quality basic education. Economic survey documents show that this has never been achieved.

NEED FOR MORE UNIVERSITIES:

India has about 350 universities. This number is simply not enough with reference to our needs in higher education. Yet, some of our universities are much too large, for ensuring

academic standards and providing good governance. We need to create more appropriately scaled universities. 1500 is an approximate figure used to indicate the order of magnitude of the expansion required in the higher education system, if we are to raise our enrolment to levels comparable with most developing countries. This may be achieved not only by creating new universities but also by restructuring the existing undergraduate affiliated college system to create smaller universities which are responsive to change and easier to manage. The number 1500 is a longer-term goal, not something to be aimed at in the short run.[11]

FACULTY AND RESEARCH:

Taking note of steep decline in research environment in Indian Universities and stagnation of faculty and infrastructure, the Government of India, through the University Grants Commission, has decided to launch a new Programme called "UGC-Faculty Recharge Programme" to redress this situation. This is a pressing requirement since majority of our Universities, especially State Universities, have not recruited faculty on a significant scale for a long time and are in danger of losing more than a generation of researchers.

Lacks of availability of faculty positions, besides other endemic problems associated with hiring of faculty, are often cited as causative factors of this state of affairs. The recent creation of new eight Indian Institutes of Technology, five Indian Institutes of Science Education and Research and sixteen Central Universities is anticipated to further aggravate this problem.

11 National Knowledge Commission Report.

The National Knowledge Commission has listed out problems which are common enough to be cause of concern. The problems raised by the commission are;

a) Curricula have remained unchanged for decades and have not kept pace with the time.
b) Learning and creativity are at a discount in a system of assessment that places a premium on memory rather than understanding.
c) Education is caught in 9.30 to 1.30 syndrome and the milieu is not conducive to anything beyond the class room.

d) The academic calendar is no longer sacrosanct for classes/examinations and results are often declared with a time lag (of 6 to 12 months)

e) The infrastructure is not only inadequate but on the verge of collapse.

f) The boundaries between disciplines have become dividing walls that constitute barriers to entry for new disciplines or new courses, while knowledge is developing most rapidly at the intersection of disciplines.

g) Importance to research has eroded steadily over time.

h) As in most public institutions, there is little accountability, because there are no rewards for performance and no penalties for non-performance.

i) Structures of governance put in place 50 years ago are not responsive to changing times and circumstances but the system is readily subverted by vested interests.

For the questions of NKC, the Private Deemed to be Universities provide the best answer

Most of the private Deemed to be universities are unitary universities, without any affiliating institutions attached to them. They have Boards of Studies for each school/department, which have subject experts drawn from other reputed educational institutions/universities/industries, and the senior faculty of the school/department as members. The Boards of Study meet at least twice a year (mandatory), and recommend new curricula. The Academic Council of the Deemed to be university has the Vice Chancellor as the chairman (who is invariably an approved distinguished academician of the University Grants Commission), and there are the Chancellor, heads of all schools/departments as members, and there will be three to four experts drawn from academics, industry etc. The Academic Council of the University meets twice (if not more times) a year, all the curricula is approved and implemented, and the curricula of the Deemed Private Universities does keep pace with time.

The observation that *students are caught in the 9.30 to 1.30 syndrome* is usually true of the affiliated college system, where there is total lack of inertia and enthusiasm associated with the teaching learning process. In the unitary private Universities, there is more than healthy competition amongst themselves and there is also an urgent need to prove the superiority of their products not only to the prospective recruiters but also to the prospective students. Each University has its own game plan in this respect, some have introduced Add on courses, Value

additions to existing curriculum, training on placements, choice based credit courses and there are also examples like VIT University in Vellore and BITS Pilani who have introduced 'Fully Flexible Choice System' which differentiates the capable ones from the slow learners, and increase avenues for the smarter ones. Stay in campus from 7 A.M to 9 P.M is common sights in these universities.

While government funded bigger universities are unable to prepare an academic calendar for an year (let alone for one semester), almost all renowned private universities are able to provide the academic calendar for the year, with all intricate details like commencement of classes, dates of internal tests, quiz, dates of external examinations, date of publication of results and even the date of convocation.

The National Knowledge Commission wants students' admissions on an All India Basis, and wants universities to adapt 'needs-blind admissions' The Office of International Admissions of Manipal University (MU) is the nodal point for international students. Foreign/ NRI students from abroad (outside India) will generally be admitted at the beginning of the academic year commencing in July/ August every year. MU earmarks certain percentage of seats for international students which include, foreign citizens, PIO Card Holders, OCI (Overseas Citizens of India- Dual Citizens), Non-Resident Indians and NRI sponsored students under the Foreign/ NRI category. The admissions are based on merit and marks/grades obtained in the qualifying examination.

Admission to BITS, Pilani - Dubai (BPD) is based entirely on the candidates merit, his/her preferences, facilities available and availability of seats in the discipline preferred. The merit position of the candidate for admission will be based only on the overall aggregate secured by the candidate in the Qualifying Examination and not based on any entrance test. While the Dubai Campus has been set-up, especially to cater to the educational requirements of the residents of the GCC (Gulf Cooperation Council) countries, candidates from other countries are also eligible to apply. Admissions are open to all nationalities.

VIT University, Vellore offers a separate B.Com Course designed for Chinese students with an MOU signed with a few Chinese Universities. Students from a number of countries and from

almost all the states of India study at VIT University. XLRI has its international centers catering to the requirements of foreign nationals.[12]

The Faculty Recharge Initiative offers an effective mechanism to address this problem and should provide a unique opportunity to the Universities aspiring to upgrade and rejuvenate faculty resources in their science - and engineering related departments. Under the Programme, fresh talent, at all levels of academic hierarchy, is to be inducted in selected departments / centers through a nationally-conducted competitive process and the inductees are to be placed as Assistant Professors, Associate Professors and Professors.

12. India Today International, 21 March 2005

CONCLUSION:

There is change in the conceptualization of Education. Before the days of globalization, post and telegraph and communication were considered as service goods (public goods), the production of which should be undertaken only by the government. The classical school of economists who opined that 'the government that does the least minimum functions be considered as the best form of government' [34] had assigned a short list of certain basic functions to the government. The dawn of globalization era has eroded even the short list, and many are no more with the government but with private sector.

Looking at this context, questions are raised as to whether Education is a commercial service or public good. While universities and the academic community in general would like higher education to be viewed as a public good, the prevailing argument in the WTO.

Secretariat is that higher education is akin to 'private consumption' directly benefiting the consumer by way of higher income. In April 2002, Universities from Latin American countries, Portugal and Spain adopted a Declaration at the III Summit of Iberian and Latin American

Universities in Porto Alegre, Brazil in which they declared education as a 'public good' and requested their governments not to make any commitment on this issue within the framework of WTO. However, overtime the perception of higher education as a commercial service is gaining acceptance. The WTO Secretariat in September 1998 has mentioned that with the rapid changes in higher education 'education also exists as a private consumption item with a price determined freely by the providing institutions'. As a result, they have stated that more and more paying students are attracted to these
institutions including foreign students

Education is a trillion Dollar industry worldwide. Education industry groups are, therefore, attracted by the prospects of liberalization and globalization of this industry. They seek more international deregulation and generally support WTO efforts. As demands for higher education grow the world over, the governments are also finding it difficult to provide adequate budgetary allocation. A GAT covers educational services of all types for all countries whose educational systems are not exclusively provided by public sector or those systems that have a commercial purpose. Hardly any country has education exclusively in the public sector domain and therefore, almost all the world's educational systems come within the purview of GATS

Professor Jagdish Bhagwati, eminent International Trade Economist of Colombia University, speaking at the India Today Conclave 2005 stated that with the high level of skilled diaspora, which grew up at the expense of Indian exchequer, it is possible to think of the return of the 'Brain Drain'. He stated that the Brain Drain template has been discarded and it was longer think of skilled migration as a threat. However, it is certainly an opportunity. He further stated that skilled Indian Diaspora is huge and growing. Between 1990 and 2000, Indian born residents in the US doubled to over just one million. But they were rich in human capital earning a total income that exceeded $40 billion in 2000, roughly 10 per cent of India's gross domestic product or national income. Indians are next only to the Jews in affluence as the richest ethnic minority in the US. He then introduced the concept of 'Trojan Horse'

Government funding for Universities and colleges are not sufficient. Private Universities and technical institutions have come up in a big way to provide higher technical education to the

students. Unfortunately, in many of the private institutions, education has become costly and the poor and middle class do not have access to these institutions. The Accreditation has not helped the cause of education; instead it has provided a certificate for successful marketing of education as a product. The number of universities is too few in comparison to the requirements for a populous country like India. Most of the problems in higher education can be solved if the government spending on education is increased and better public- private partnership is developed in the higher education sector.

27 India Today International, 21 March 2005

LIST OF REFERENCES:

1. adaniel.tripod.com/education.htm, Education in India
2. Annual Report, UGC 2006
3. Annual Report, UGC 2008
4. Annual Report, University Grants Commission, Higher Education, 2009
5. Central Advisory Board of Education's (CABE) report on financing of higher and technical education released in 2005.
6. Central Statistical Organization. for GDP, 2009
7. CSO, Ministry of Statistics and Programme Implementation. 2007
8. Indian Population census data, 2001
9. Ministry of Labour, Government of India, Report 2003
10. Report of MHRD, 2009
11. Report of National Knowledge Commission
12. Report of Planning Commission, 2006.
13. Report of the CABE committee on financing higher & technical education
14. Report of UGC dated 16/01/2010
15. Report of UGC dated 31/03/2006
16. Union budget documents,2007,08,09
17. www.goiit.com/.../community-shelf-list-of-all-deemed-universities-in-India
18. *'Higher Education: Free degrees to fly', Economist, February 26th-March 4th, 2005,*

19. *Survey: Higher Education*, *Economist*, September 10th-16th, 2005,

20. Ashutosh Sheshabalaya, '*Rising Elephant-the Growing Clash with India over white-collar*

21. 'India and the Knowledge Economy; Leveraging Strength and Opportunities', The World Bank, Report number 31267-IN, April 2005

22. *'Regulating Higher Education' (published in three parts)*, Indian Express, New Delhi, Edition on July 14th, 15th and 16th, 2005- also posted online in www.indianexpres.com).

23. India's Higher Education needs Policy, *Hindustan Times*, 28 November 2005

24. *Sanat Kaul*, Indian Council For Research On International Economic Relations, Working Paper No. 179, May 2006