

Political Economy of Higher Education in India

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Abstract-

away

During the British rule in India, education was deliberately kept from development agenda. The structure of the educational system in the post colonial India, were inadequate to build potential human resources required for the self reliant socio-economic development. In an attempt to remove the infirmities of these inherited structure, various commissions and committees were formed, from time to time but the growth in terms of qualitative improvement is yet to be spotted in the country. The central argument of this paper is that, higher education in India is being de-facto privatized, but this privatization has not resulted from the changing ideological commitment or nature of the Indian state, rather breaking down of state system itself. As a result we have a privatization whose ideological and institutional underpinnings remain very weak. Consequently, our education system remains sandwiched between over-regulation by the state, and a discretionary privatization, that is unable to mobilize private capital in a productive way. The most potent result of this is a secession of the middle class- ironically the very class whose interest these institutions were supposed to serve- from a stake in public institution. In fact, the education policy, far from serving the interests of middle class, is actually driven by a combination of ideology and vested interests. The quality of knowledge generated within educational institutions, and its availability to the wider economy, is becoming increasingly critical to national - competitiveness. The factor that has encouraged market orientation for higher education is: the substantial costs associated with mass higher educations which have led to a concern by governments to relies more values per unit of money committed in this sector. Despite much talk about consideration of social return on higher education, such rational calculations have rarely figured in the formulation of policy, especially at the state level.

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Signaling Effect

Ideological entrapment

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Introduction

In view of the remarkable expansion of higher education in India, it is extraordinary how little we have progressed in basic education. Amartya Sen, while delivering Lal Bahadur Shastri Memorial lectures, in 1970 remarked ‘the contrast between our attention to higher education and neglect of elementary teaching had seemed intolerably large....he further argued that there were deep seated class biases in the pressures that have determined Indian educational priorities, and that the inequalities in education are, in fact a reflection of inequalities of social and economic powers of different groups in India.(1)

In fact, the main issues in higher education cannot be examined in isolation from larger social, economic and political changes that have been taking place in India, during the last few decades, which in turn are related to the dynamics of globalization to a large extent. After the decline of socialist and welfare-state models, neo-liberal regime has become hegemonic. Changes in financial arrangements have forced universities to reconsider their social missions and academic priorities .Concerns about equity, accessibility, autonomy or the contribution of higher education to social transformation, have been overshadowed by concerns about expenditure and rate of returns. The notion that higher education is primarily a citizen’s right and a social investment is being seriously challenged by a neo-liberal agenda that places extreme faith in the market.

Policy and Privatization:-

Appropriate policy frameworks for higher education are difficult to design for several reasons. This was further accentuated by the somewhat contradictory claims by World Bank’s reports on social rate of return.^a In fact, allocative decisions in India have, by and large, not been governed by any serious debate over this question. They are rather determined, by political economy considerations. The Eleventh Plan draft, for instance, envisages doubling public investment in higher education. But much of this has been driven by the need to defuse the political backlash caused by India’s affirmative action policies, rather than by a rigorous examination of allocative priorities.

The centralized regulation of Higher Education (H.E) was introduced by the National Policy On Education in 1986.During the earlier days, H.E came under the ambit of state governments,

which issued ,licenses to local dominant power holders to establish private colleges, leading to privatization via patronage at the local level. In an interesting study of the nexus of caste, education and politics, Rekha Kaul argued that ownership of technical colleges symbolized power and prestige of political leaders, and they were also instrumental in raising money for election.(2) Gould quoted JP Naik as having said ‘the congress has abolished the *zamindari* in land and has created a *zamindari* in education.(3)

A comparative analysis of India’s H.E policy during the last few decades offers an explanation for the co-existence of privatization with centralized regulation. It leads to an understanding of how the Indian state orchestrated economic reforms via a clear re-arrangement of patronage networks and creation of new sources of patronage to replace existing ones. The persistence of rent- seeking in a liberalizing states has resulted from the state’s attempt to placate powerful constituencies faced with adequate incentives to organize against reforms.(4)

In 2004, the Central Advisory Board Of Education (CABE)^b, reiterated the role of higher education in furthering socio- economic development and concerns of equity. In doing so, the report declared H.E in India to be in a ‘deep financial crisis’, which has led to the accentuation of financial hardship of institutions of higher education. The Report clearly documented the declining public expenditure on higher education in the aftermath of economic reforms.

The declining public expenditure in higher education also gave impetus to the rapidly expanding private sector in technical education .In addition; this trend reflected the Indian government’s conscious resolve to encourage private entrepreneurship in order to promote the universalization and vocationalization of education. However it was economic liberalization and influx of IT that must be regarded as one of the critical point of reference for the new trajectories in India’s tertiary education sector.

The system of grants-in-aid to educational institutions has remained the same as introduced by the British government in 1980. Rudolph and Rudolph argued that these grants –in-aid are technically conditioned upon the maintenance of certain academic and administrative standard, but in reality an educational entrepreneur who enjoys political favour has little difficulty in

establishing his institutions qualifications.(5) This system of grants-in –aid also ensures the state’s dominant presence in affairs of institutions. The state dominant presence in the matter of admission and curriculum was a direct consequence of a vested public interest in the running of private institutions, which survived within the framework of independent Indian state.

Unlike in countries where the public and private sectors had separate origins, in India, private sector did not develop in isolation from government initiatives. Consequently the post-independent higher education system always remained embedded in the political configurations of dominant societal interests.(6)

In the post-liberalization phase, the licenses to establish private colleges did not serve the purpose of mobilizing voters for elections. Instead, patronage in the higher education sector served the purpose of compensating and appeasing powerful constituencies which might thwart the passage of liberalization.(7) Growing fiscal deficits in this era meant a huge cutbacks in higher education sector. While this created an environment for influx of private providers, but this privatization took place under a stringent regulatory regime. It did not arise out of a policy geared towards a comprehensive programme of reform; rather, it came about as a result of discretionary actions by the state aimed at accommodating elite interests in the post- reform political system.(8)

The degree to which states have allowed the establishment of private higher education institutions varies considerably. The number is greatest in the southern states and Maharashtra, and least in states like Bihar and West Bengal.

Kapur and Mehta opined that there were three key reasons for the expansive stance of political parties of all hues: the state’s fiscal limitations; partial diffusion of the reservation conundrum by expanding supply; and, the search for new sources of patronage.(9)

For Indians, higher education has been, in Stanley Wolpert’s evocative words, “the swiftest elevators to the pinnacles of modern Indian power and opportunity.” This realization, coupled with the severe limitations of publicly-funded higher education institutions and the greater

purchasing power of the middle class, means that Indians are prepared to pay rather than be denied

The exit of students to private suppliers of higher education is a phenomenon not limited to India's borders. While the numbers are lower, the overseas purchase of higher education has much greater financial implications.

Even more important than the financial costs are the implications for public education when elites leave. Indeed, the dilemma is a more basic one—the consumption of public services by elites has adverse distributional effects. But when elites exit, so does their voice. As Kapur and Mehta argue, the strength and resilience of institutions of higher education stem from the participations of the nation's elite. Since higher education is one of the most important factors contributing to the growth of middle class—which in turn is both a cause and symptom of capitalist development.(10) Thus their stake in the system must be the driving force of any higher education policy.

This reality is lost to Indian policy elites, especially in the HRD Ministry which is strongly opposed to the General Agreement on Trade in Services (GATS) (although the Ministry of Commerce has been an advocate). The Indian policy is expressed by the HRD Ministry:

The revised offer made by India at the GATS^c was to partially open up the Higher Education Sector under the condition that Higher Education Institutions can only charge fee as fixed by an appropriate authority and that such fees do not amount to charging capitation fee or lead to profiteering. The provision of the Higher Education services would also be subject to regulations already in place or to be prescribed by an appropriate regulatory authority.

It was hardly a welcoming policy to attract the world's best universities.

Status of Higher Education today

The three key variables that help to understand the current position of India's higher education are the structure of inequality in India, the principal cleavages in Indian politics, and the nature of the Indian state. While India is not exceptional by conventional measures of income inequality, it is an outlier when measured by educational inequality. Such extreme inequalities

inevitably result in populist redistributive backlash. However, the specific redistributive mechanisms are conditioned by the principal cleavages in Indian politics and the nature of the Indian state. The growth of identity politics has sharply enhanced political mobilization around two key cleavages in Indian society: caste and religion. Consequently, redistributive measures follow these two cleavages rather than other possibilities such as income and class, region (urban-rural), or gender. Moreover, given the fiscal constraints of the Indian state and the shifting locus of rents, since the resources available for redistribution are very limited, redistribution focuses on much more “visible” forms. This explains why India’s poverty alleviation programs focus on “visible” club goods such as employment programs rather than less visible public goods such as health and education.(11) And this is also why in recent years Indian politicians have obsessed over reservations in elite institutions in higher education rather than improve the quality of primary and secondary schooling, and the thousands of colleges of abysmal quality.

The social re-engineering that began in Madras province gradually spread to the rest of the country over the next half century. The confluence of identity and redistributive politics meant that higher education—the erstwhile preserve of India’s upper castes—would inevitably become the battle ground of politics, especially as the “silent revolution” empowering lower castes gathered momentum. Indeed, the mismatch between new social groups holding political power and erstwhile dominant social groups entrenched in universities led the former to deliberately undermine state universities (exemplified in Bihar in the 1990s), since in doing so they were also under- cutting the social power of old upper caste elites.(12)

The other cleavage of Indian politics—religion—is also manifest in higher education policies. The Constitution of India (Articles 29 and 30) provides special protection to linguistic and religious minorities in the country, allowing them to preserve their culture and traditions through minority institutions with few government controls. However, when government controls are circumscribed for “minority” institutions but mount for all other private higher education institutions, the incentives for each group to classify itself as a minority are obvious. Meanwhile, those minorities—Muslims—for whom the original protection was put into place get little more than symbols. When the *Sachar Committee* on the status of India’s Muslims showed that the

socio- economic status of Muslims was relatively lowest in the states ostensibly most committed to secularism—the *Samajwadi Party (SP)*-governed UP, and the *CPM*-governed West Bengal—the states rushed to announce the creation of special universities for Muslims.(13) As per *Sachar committee* report the need was to first boost up their *madarsa* and secondary level education, but electoral politics has compelled them to open new universities.

With the university having been accorded minority status, any irregularity in its functioning could be probed by the UGC only after being cleared by a three-fourths majority in the Assembly. The analytical point is that when entry barriers arising from regulatory control vary across communities, the consequences are worrying both for politics and for education.

Nonetheless, the choice of instruments used by the Indian state to advance the cause of “backward classes” remains puzzling. The share of currently enrolled persons in higher education course in the relevant age cohort of a social group provides a good measure of its current status. But this may be misleading if one does not consider eligibility for participation in higher education. To be eligible to enroll in higher education, one has to complete the school education. Thus, instead of only focusing on the entire population in the relevant age group, measures of participation should also consider the segment that has crossed the threshold of higher education and is thus eligible to go to college. It may appear that equity goals may be better pursued in expanding the size and quality of the base on a *prima facie* basis. The gross enrollment ratio in Class IX–X is 51.65 percent but drops sharply to 27.8 percent at Classes XI–XII. Even a modest reduction in the dropout ratio could significantly increase the potential college going pool among the backward classes. But there has been little effort directed to this end.

The university system in India is the collateral damage of Indian politics. The vast majority of government colleges in small towns offer dismal educational outcomes, according to a survey by (WEST), only 34% of graduates have employability skills, another survey states that only 19% of engineering, and 5% of non-engineering graduates are employable. Our out-dated curricula glorify and promote exam-and-marks oriented approach to teaching. The NIPFP has identified private education as one of the source of black money. It is a well known secret that only

politically influential and monetarily strong ‘academics’ become vice-chancellors in many state universities. Many running government higher education institutions have been razed to the ground is not the result of limited resources but a matter of deliberate strategy. A cynical view that has been doing the rounds for sometime in university circle is that the so called ‘reforms’ are a part of government plan to destroy the state funded universities, so that private universities can flourish. One may not buy this argument, but there is just too much evidence to show that nobody in the higher echelons of power is thinking seriously about the quality of higher education. Otherwise, it should have been obvious that what is important is not the canteen but the food that it serves.

As a result of above discussed factors, we have three inter-related vicious circle. First such vicious circle is the diminishing signaling effect,(14) most of 300-odd universities (especially state universities) to which the bulk of the student population is affiliated have stopped performing the essential functions of a university. Not a single Indian institute of higher learning figures in the list of top 200 universities, notwithstanding the obvious limitations of the ranking exercise, these dismal rankings are quite often taken as a measure of the crisis of higher education in India. Millions of students with a weak learning base make their way into the colleges and encounter a higher education system that has been wrecked by the political interference over the decades. Meanwhile, the demand for education has led to the mushrooming of private higher educational institutions across the country, many of which operate under political patronage and take advantage of a lax or corrupt regulatory environment to run courses and offer ‘degrees’ which are of little use in the market. The primary purpose of a university is to provide a minimal signaling effect to the job market. Most observers agree that Indian universities, because of the successive government’s policy of fund –cut, destruction of autonomy, creativity and diversity, with a few exceptions, do not perform this signaling effect. A degree from any of these universities could mean anything in terms of quality. A tacit acknowledgement of the breakdown of signaling effects of degrees comes from the principal regulatory authority of higher education, the UGC. For instance, in order to be eligible to teach at a public university, candidates with even a PhD have to take another qualifying test; this test was introduced to remedy the fact that the candidate’s PhD in and of itself did not indicate anything about his or her abilities, and which was even approved by judiciary.

Once the signaling effect of a university system breaks down, three consequences follow. First, the curriculum and pedagogy of the university become less compelling. Second, greater attention and resources are devoted to those arenas which now de facto perform signaling functions, such as entrance exams and competitive tests. This leads to the creation of an almost parallel system of education. Since the formal institutions are detached from these signaling mechanisms, informal institutions such as coaching classes dominate the intellectual space. Third, there is an attempt to secede from the system. But of equal importance is the fact that almost all of these institutions incur significant private expenditures, which are largely borne by the middle class. Indeed, if the middle class was influential, one would expect that there would be great pressure and momentum to restore the credibility and signaling effects of higher education.(15) It is interesting to note that there is a lack of attention to education in public discussions and political debate in India.

A second vicious circle stems from an ideological entrapment, which is itself a result of the nature of Indian state, between half-baked socialism and half-baked capitalism, with the benefits of neither. In some ways this is best exemplified by the fact that officially there is an enormous reluctance to see education as an industry or business.

In effect, ideological commitment to some principle of equality has precluded the state from mobilizing the vast reservoirs of private money available for higher education. In a context where the sum total of private expenditures considerably exceeds expenditures by the state, this policy needs to be rethought.(16)

Second, there has been a proliferation of private institutions, largely in the area of professional education. But again, the pattern of this expansion suggests that the middle class had very little influence on this policy. The rapid expansion of “capitation fees colleges” came about not as a result of great middle class pressure but rather from the entrepreneurial activities of politicians. The capitation fee system was an arena where the new politics of reforms was played out. An arena defined by the nexus of caste, education and politics, pre-existing patronage networks made it ideal ground for unfolding of this new politics. In fact, this growth of private colleges is not simply a rational response to expanding demand but is an opportunity to collect rents, while

no doubt it helps to relieve the pressure on public institutions to some extent.

There is an inherent tension in the ideology of the Indian state toward higher education. On the one hand, education was going to be a means toward creating social mobility and equality of opportunity. But to create the conditions under which the education system can effectively serve these purposes requires a vast mobilization and commitment of resources. Since the state has been patently unable to do that, it interpreted equality of opportunity in almost a formalistic, even formulaic manner, where any difference or distinction was regarded as inimical to these goals. The state used the education system to express these commitments by insisting that there be no differentiation of fees, or even substantial differentiation of curriculum across 350-odd universities. Indeed, the crisis of standards that afflicts Indian universities is in part sustained by an ideological commitment to the myth that education should not be made into an arena of difference. This aspiration is in principle flawed because higher education is, among other things, about creating distinction and excellence. It is true that the mandate of the state ought to be to enhance the median level of skills among citizens, but it is hard to imagine a robust system of higher education that does not perform the function of distinguishing the skills and qualities of its students. The suspicion of excellence in Indian higher education was a result of this commitment, and was in part instrumental for destroying its signaling functions.⁽¹⁷⁾ Normally, the middle class is supposed to have a great commitment to a system where degrees provide signaling functions. The emphasis on leveling rather than distinction is perhaps another indication of the weakness of middle class hold on education.

The third vicious circle follows from the previous two and might be called the circle of statism. One of the subtexts of the above argument is that higher education policy is being driven less by a clear ideological vision or class interest than by the state's own interest (or perhaps its own ideological whims). Indeed, the surprising constancy in education policy and expenditures over time reinforces the argument that this arena is not susceptible to an overtly demand-driven calculus. Much of what goes in the name of education policy is a product of the one overriding commitment of the education bureaucracy—namely state control in as many ways as possible. The direct interference of the state has implied that in most states, universities have become appendages of government offices.

Conclusion

Despite impressive reforms elsewhere, Indian higher education sector remains the most tightly controlled and least reformed sector. Deep ideological and vested interests have made reform in India's higher education sector all but impossible. In the post reform era, the emergence of Indian state meant that patronage now flowed from the political imperatives of ruling elites at the centre. A clientilistic higher education system controlled by powerful groups required the state to ensure uninterrupted patronage flows to these groups during economic reforms. In the face of state's retreat from this sector, the politics of patronage performs the function of co-opting groups, which could thwart the move towards reform. The process neither serves a screening or signaling function for the vast bulk of students, nor prepares students to be productive and responsible citizens.

It has become evident that the government is eager to control the universities both at the central and state level, for this UGC has formulated many proposals in recent years. It must be noted here, that a common syllabus is neither desirable nor feasible as this will diminish creativity and lower standards in order to conform to common standard. In-fact we need a university system that encourages diversity and decentralization, not one that centralizes authority or enforces uniformity.

The fate of our universities is too precious to be left to the whims of individual mandarins, ministers or vice- chancellors. It is time that an 'Education Commission' consisting of experienced and respected academics and educationists was set up to take stock of our universities and to seriously deliberate on what needs to be done to improve the quality of education they impart.

Notes:

- a- Higher Education: The Lessons of Experience, 1994, p-3 and Priorities and Strategies for Education: A World Bank Review, 1995, p-1.
- b- Report on the financing of higher and technical education (Govt. of India, 2004).
- c- Ministry of Human Resource Development, 2007.

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11. Devesh Kapur & Pratap Bhanu Mehta- Mortaging The Future?op.cit, pp-26-27
12. Ibid, p-27
13. Ibid,pp-27-28
14. Devesh Kapur & Pratap Bhanu Mehta- Indian Higher Education Reform :from half baked socialism to half baked capitalism,op.cit,pp-12-16
15. Ibid,pp-14-16
16. Ibid
17. ibid