

FORUM

FORUM ON GOVERNANCE OF HIGHER EDUCATION IN INDIA: HOW BEST TO STRIKE THE BALANCE BETWEEN AUTONOMY AND ACCOUNTABILITY?

(working title)

“The governance of higher education needs to develop a fusion of academic mission and executive capacity, rather than substitute one for another” (OECD, 2003)

Motivation

India is undergoing rapid economic change with sustained high growth rates for more than a decade making skills increasingly scarce. This has brought about a substantial increase in demand for skilled labor. Despite significant improvements in the education system, it has not been able to achieve similar rapid pace of change as the national economy. As a consequence skilled labor is becoming scarce. Returns to education, in particular to Higher education, are rising. Labor costs are rising, eroding Indian competitiveness. Key growth sectors, such as the Business Processing Optimization (BPO) sector, other IT services and the manufacturing sector, are complaining about lack of qualified manpower.

India’s main competitors in Asia – China, but also the NIEs including Hong Kong, Singapore, South Korea and Taiwan – are increasingly investing in large and differentiated higher education systems. They are providing access to large numbers of students at the “community college” level while at the same time building research-based universities that are able to compete at the top-level globally.

India has significant advantages in building a large, high quality higher education system. It has a large higher education sector – the third largest in the world in student numbers after China and the United States. It uses English as a primary language of higher education and research. It has a number of high quality institutions that can form the basis of a world-class higher education system. Nevertheless, the system only enrolled 9 million students in 2003/04 (equivalent to a 9-10 percent enrolment rate as estimated by the Ministry of Human Resource Development). This compares to with more than half of the young people in major developed countries and about 20 per cent in China. Similarly, the world-class institutions in India that are known globally -- mainly the IITs and the IIMs – are small, enrolling well under 1 per cent of the student population.

The Government will take strong steps in the 11th Five Year plan to increase opportunities in Higher education, relieve skill shortages in the economy, and increase competitiveness. The goal for the 11th Five Year plan for 2007-2012 is an increase of five percent in the enrolment rate of higher education equivalent to the creation of approximately 8 million new seats in Indian higher and technical education. Some of the steps are: (i) establishment of a central autonomous university in each state, (ii) higher education institutions in each district of the countries, (iii) private institutions may be granted deemed university status, (iv) creation of more Inter-University Centers, and (v) funding of up to 150 new polytechnics autonomous colleges. Further, all institutions are asked to make higher education more inclusive, more responsive to economic needs, and raise quality. Therefore, the public and the government are likely to increase investment into higher education, and in return demand accelerated change in the higher education sector.

The governance of the Indian Higher education sector is changing. Like the Indian economy underwent a liberalizing in the 1990s, the education system is gradually being opened up for change

and decentralization. In particular, the federal and state governments are gradually giving higher education institutions more decision and spending power. This represents a move away from detailed government control over spending, teaching, and curriculum decisions, which required frequent approval from federal or state government officials. Besides the 11th Five Year Plan, several facts pay witness to this movement:

- Many institutions have become autonomous during the 10th plan Five Year plan through an increase in the number of autonomous institutions: Central Universities (2), State Universities (39), “deemed-to-be” Universities (50), and Private Universities (10).
- Two recent reports from the Central Advisory board of Education (CABE) on respectively the ‘autonomy of higher education institutions’ and ‘financing of higher and technical education’ recommend changes to governance of the higher education institutions.
- The Oversight Committee on the Implementation of the New Reservation Policy in Higher Educational Institution equally recommends increased autonomy to institutions within recruitment and remuneration of faculty and admission policies to find the right balance between equity and excellence for each institution.

For a successful implementation of the 11th Five Year plan, increased autonomy will be crucial. Compared to other countries the decision power of Indian Higher Education institutions remains limited. Currently, only 204 colleges out of 17,000 are autonomous with freedom over admission policies and curriculum design. A detailed spending control by government officials could risk cripple progress through micro-management, and prevent institutions from making necessary and timely decision that improves function of their institution. Similarly, system governance based on strict rules for input into the learning process – a fixed teacher-student ratio, number of books and square feet of facilities per students – inhibits innovations at the institutional level and does not foster strong institutional capacity. There is an increasing acknowledgement that dynamic societies and economies require institutions that operate with a degree of independence, and can supply the market with graduates who have the necessary skills needed by the market. Market mechanisms are often more effective than university administrators and government officials in signaling the demand for diverse forms of learning and skills delivered to diverse groups of students.

At the same time, increased accountability for better educational outcome is important. Lax government oversight with little accountability could reduce the impact of the new investments under the 11th Five Year plan. Governments that fund higher education are holding institutions accountable for the learning and research outcomes. Therefore standard-setting and performance monitoring have increasingly become part of higher education systems. Governance of higher education is intimately tied up with funding which implies that governments increasingly allocate funds to universities and colleges based on output-oriented allocation and performance contracting systems, rather than by detailed itemizations of budgets. Further, there have also been occasional instances of low efficiency and misuse of funds at the institutional level in India reinforcing the need for government accountability.

Therefore, to balance the need for more autonomy and more accountability of educational outcomes, state and federal governments will have to find the right policies and funding instruments. Striking the right balance would make government oversight of institutions more executive, foster strong institutions, and achieve better educational outcomes.

India is not the only country seeking to strike this balance between autonomy and accountability. In many countries, there have been efforts to reinforce the executive authority of institutional leaders. Key common elements have been a transfer of decision-making power to the Vice-Chancellor and other leading administrative figures. There has for example been an increase in the participation and governing and supervising bodies by representatives and individuals from

outside the university. A recent Federal Commission on the Future of Higher Education in the US gave recommendations on policies to make universities “more transparent, faster to respond to rapidly changing circumstances and increasingly productive in order to deal with the powerful forces of change they now face”. Similarly, there is a rich spectrum of experiences across Indian states that warrant dissemination and discussion.

Appropriately adapted to the Indian context, these experiences could be valuable for government officials as example of ways to achieve the planned results in higher education.

A Forum on “Governance of Higher Education in India: How Best to Strike the Balance between Autonomy and Accountability?” could discuss these Indian and international best practice and help high-level policymakers in designing successful policies for higher education.

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