**“Impact of Reforms on Staying Operational in Indian Higher Education”**

India is a country blessed with a ‘young’ demographic. It is estimated that by 2020, the average age of an Indian will be 29 years. Over 65% of the population will be less than 35 years old. According to the 2011 census, about 30% of our population is under 15 years old. This demographic represents the next generation and essentially, the future of our nation. Development of our Human Resources, forecast as our biggest asset in the coming decades, especially this group is of crucial importance for the progress of our nation.

India has always given special consideration to nurturing and developing our youth and children. Our Five Year Plans bear testament to the attention paid to grooming of our present and future workforce by governing agencies with special emphasis on higher education, improving the employability of youth through a variety of strategies including greater enrollment in higher education, increasing access to professional programs, creating training opportunities and improving existing system and infrastructure.

Indeed, a study of the UGC report titled ‘Inclusive and Qualitative Expansion of Higher Education’ reveals the intent of the Government of India and various University leadership in tackling the problems, challenges and ambitions for expanding and improving the education system and equipping the generations to come with skills and credentials for a glorious future. Furthermore, India has a ‘young population’ in stark contrast to the world trend of an ‘aging population’. Translating into numbers, (source: EY report at FICCI Higher Education Summit), we have nearly 140 million people in the college-going age group, meaning one in every four graduates in the world, will be a product of Indian higher education system. Consequently, the world and several large corporations are viewing our talent pool with great scrutiny as a potential global supplier of skilled manpower.

In the light of this keen interest and the many recent reforms that have been introduced, this research attempts to investigate the ease of conducting business in the sphere of education. This research paper will be studying the ease or difficulty of setting up a higher education program, compliance with Standards and Governing bodies, operation in current context and staying operational for both private and aided bodies. The scope of the research is limited to only national institutions and excludes partnership programs.

Higher Education Landscape- Key Facts and Figures:

* India has over 600 Universities, with over 33000 colleges and around 13000 diploma-granting institutions. Collectively, they serve over 14million students.
* However, despite doubling in the last decade, our nation’s current GER is less than 15% and thus, far below world standard (about 24%). We even trail behind competing developing countries like China, Malaysia, Phillipines and Brazil.
* The targeted GER of 30% by 2020 equals about 24million new enrollments. Expansion objectives to accommodate these numbers as outlined by the UGC include establishment of new universities and colleges, and increasing intake capacities of existing institutions.
* The current GDP spending on education is about 3.8% - less than the world average (about 4.4% as per UNESCO data).
* Private players account for 60% of total institutes and 64% of student enrollment.
* Universities awarding degrees are classified as 5 types: Central University, State University, Private University, Deemed University and Institute of National Importance.
* The regulatory framework is multi-layered with three sets of operating regulations- University, College and Council (as per the course).
* There are two accreditation institutions – the National Board of Accreditation (NBA) and the National Assessment and Accreditation Council (NAAC). The UGC Regulations, 2012 mandates that all higher educational institutions be accredited by an accreditation agency.

Research Investigation- Part 1:

Modes for Setting Up Institutions:

Government:

The GOI sets up institutes, Universities and Deemed Universities based on need and also converts existing bodies into Institutes of National Importance by passing related bills in the Parliament.

Private Players:

There are three ways to set up an institution of higher education in India:

1. As a private university in a state through legislative route with differences existing in the various states- some have Umbrella Acts for all private players (e.g. Haryana) or separate Act for each institution (e.g. UP) or both (e.g. Rajasthan). Only 20 states however, have passed legislation to facilitate setting up of private universities. Also, they need to obtain recognition from UGC and do not have the power to affiliate colleges which are run by a different trust.
2. Deemed University status conferred by Central Government on recommendation of UGC with two categories- General and DeNovo for established and new institutions respectively. Of note, is the fact that no Deemed University status has been awarded since 2009.
3. Private College affiliated to Government University where the college has to comply with rules prescribed by the said University and cannot start admission without first securing the affiliation.

Key Challenges:

* Since, education is under the purview of both the Centre and the States, establishment process is lengthy and constraining with the entire process being opaque and cumbersome.
* Only ‘non-profit’ entities such as a society, Trust or Section 25 company can set up an educational institution. In addition, corpus funds need to maintained according to the governing laws and norms of regulatory bodies. This creates financial hurdles forcing even well intentioned players to indulge in spurious dealings.
* Contiguous land requirements, usually within the relevant jurisdiction, which must be obtained from government bodies, are capital and time intensive affairs that are a serious impediment to creating new educational institutions. Regulatory councils and governing bodies set different specifications making the lack of uniformity confusing.
* Other impositions of facilities and infrastructure and mandated undertakings based on archaic laws are seen as outdated and restricting. For instance, management institutes require digital labs equipped with computers for the students with a prescribed student to computer ratio. This is seen as unnecessary or too stringent given that these students predominantly use laptops and merely require Internet access.
* Subjective rules/ affiliation norms, lack of transparency and multiplicity of regulatory bodies further hinder the setting up, especially for new players, given the high financial barriers.

Reforms, Policies and Impact:

* UGC has proposed structural amendments to Central and State Universities Acts and also bring about an effective mechanism to coordinate the regulatory framework.
* With 14 new autonomous public research institutes initiated by 11th FYP and seven more in the 12th FYP, and proposed financial assistance for colleges in identified Educationally Backward Districts; GOI is trying to fulfill its goal of access and equity with regards to education.
* A target of 10million additional seats has been set in the 12th FYP to significantly increase GER.
* GOI is actively pursuing Public Private Partnership (PPP) with different models like Basic Infrastructure Model, Outsourcing Model, Equity/Hybrid Model and Reverse Outsourcing Model to tackle the investment barriers.
* The recent UGE (Institutions Deemed to be Universities) (Third Amendment) Regulations 2016 (UGC notification in February 2016) aims to reduce subjectivity and government interference. The Act has relaxed land norms and limitations on off-campus centers, removed restrictions on appointment of Chancellors, and made the criteria for receiving ‘Deemed University’ status more flexible.

Research Part 2:

Operation:

Under the Indian constitution, education comes under the Concurrent list. This means it is both a Central and State subject. So, universities and colleges have to abide by multiple laws, Acts, governing bodies and regulatory councils, accreditation agencies as well as central regulations as applicable. E.g. FDI, IGNOU Act, Income Tax Act, State Public Trusts Act, etc. This over regulation and under governance is detrimental in improving the state of education in the country.

This research has looked at several parameters that are key elements in operation of any educational entity.

Finances: The high capital investment for operation of educational institutions coupled with compulsory ‘not-for-profit’ motive is a major barrier to operating costs for most colleges and universities. Restrictions on fees, mandatory land and facilities investment and complicated taxation laws add up to these costs.

Curriculum and Pedagogy:

Faculty:

Accreditation:

Industry Partnerships: