

## IMPACT OF HIGHER EDUCATION SYSTEM IN INDIA THROUGH RUSA

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**Abstract**

*The paper surveys the extent to which the higher education system in India has a bearing on the economy. The subject has rightly assumed unprecedented importance in the country and continues to be extensively researched and deliberated. The paradox about the coexistence of economic growth and disparity has also been discussed to the point of redundancy. This research inquiry is pioneering in that it places disparity in the economy as well as the country's economic performance in comparison with other Asian economies in the framework of shortfalls in the higher education system. The authors argue that in order for higher education to contribute constructively to the economy, the systemic lacunae must be isolated and rectified. The paper examines the concern by delving in to a chronological survey of the parallel evolution of higher education and economic growth in the country since independence from colonial rule. Further, the study takes stock of the present Government initiatives that have been undertaken in this regard and makes inquiries into the scope of their application and assessment of their merit. Rashtriya Uchchatra Shiksha Abhiyan (National Higher Education Mission) or RUSA is a holistic centrally sponsored scheme for the development of higher education. Built on the success story of Sarva Shiksha Abhiyan and Rashtriya Madhyamik Shiksha Abhiyan, RUSA will be spread over two plan periods, for improving access, equity and quality in the state higher education system.*

**Key words :** Human Related Aspect, TQM, Service, Banks

The direct co-relation between higher education and human resource development is an area of copious research. The two subjects have been studied from a variety of standpoints; notable among them are skill development, productivity and maximization of the potential for human resource development.

To say that an adequately evolved and broad-based higher education system is indispensable to economic growth and nation building would be a truism. Capacity building in the national context presupposes numerous resources—financial, natural and more—not the least of which is the human resource. Developmental activities require workforce which is skilled across the range in terms of extent: semi skilled, skilled and specialized.

**The Indian context :** The association between higher education and its impact on economy is of immense import to India. The country is positioned in a milieu which makes the two variables inexorable—in more ways than one. In fact, the country's profile presents itself as a prototype of the inevitable need to drive higher education forward, or else face economic downfall.

It would not be far-fetched to claim that the Indian higher education system has witnessed a metamorphosis of monumental proportions. It has burgeoned from an instrument of colonial ascendancy, as was the case with other former colonies to a system that aspires to be egalitarian and affirmative action oriented. It is imperative to factor in the country's colonial history to grasp the larger landscape. Further, the economy has had to emerge from being primarily agrarian to one that has a growing industrial and service sector presence.

Powar (2012) argues that the co-relation between higher edu-

cation and employment is complex in the Indian context as a number of socio-economic and technological variables are involved; having said that, the Indian economy boasts unprecedented growth as well as one of the highest growth rates in the world.

In order to be conversant with the larger picture it helps to factor in that the Indian higher education system and the economy have to grapple with a plethora of politico-administrative and sociological shortfalls. It would not be fantastic to claim that the two elements have evolved in spite of the system, and not because of it.

**Evolution of higher education**

**Independence era:** the weight of colonialism hung heavily on the higher education system as well as the economy. The higher education system was manifestly an area of desertion and forsaking. In tandem, the economy was predominantly agrarian; the industrial sector was limited to areas that were directly linked to natural resources such as mining.

**Post independence:** the decade post independence was characterized by Nehru's strong socialist leanings coming perhaps from the strong sway of the Soviet Union. The guiding idea was to promote industrialization through central planning. The state invested heavily in higher education in techno-engineering. The rewards of this investment did not come right away as it took years for HEIs like the IITs to build capacity and generate the expected outcome of highly specialized workforce. Nonetheless, the seeds were sowed and the significance of specialized technical training was driven home. The state investment in higher education was matched by investment in PSUs (public sector units).

The tendency of being insular ran parallel in the higher edu-



cation realm too. While countries like Brazil, Japan, UK and US moved away from liberal education in favor of technical and professional education earlier on, India rose to the possibilities far later.

**India : prospects for emerging as a knowledge economy**

The Prime Minister, Dr. Manmohan Singh (2005) has optimistically forecast that the 21st Century will be the “knowledge century”, by which he refers to the socio-economic transformation that the country is projected to go through in the 21st century as a result of knowledge creation. Mattoo (2009) explicates the notion succinctly: “The whole idea of building a knowledge society is the idea of empowering young men and women through education and ensuring that all our delivery systems are built on the premise of the latest knowledge”.

In the next few decades, India is speculated to have the world's largest set of young people. While the correlation between higher education and nation building is indisputable, the working age population can be an asset only if their potential employability is brought to fruition. Conversely, if the state does not harness the endowment, this demographic group can turn out to be a heavy economic and social millstone.

The Prime Minister, Mr. Singh affirmed the Government's avowal thusly: “the time has come to create a second wave of institution building and of excellence in the field of education, research and capability building so that we are better prepared for the 21st century”. With the singular purpose of modeling recommendations and means to tap into this reservoir, the Government founded the National Knowledge Commission (NKC) in 2005. The Commission aims to provide a channel to harness the country's vast human capital, more specifically the demographic dividends that accrue from the working age population. The decision to set up the Commission suggests the Government's cognizance of the importance of developing the appropriate paradigm in which to invest in intellectual capital by developing the skill set of the population and encouraging research, innovation and entrepreneurship.

It is important to take note of the concern that no development scheme is complete without plans that address inclusion and welfare of all the beneficiaries. The idea of a knowledge economy is bogus without egalitarianism and welfare priorities; it is imperative not to get carried away by the pockets of excellence in higher education—IITs and IIMs, for instance. The sobering fact of the matter is that there is a latent ongoing crisis in higher education; the proportion of the population in the age group between 18 and 24 that enrolls in higher education is in the range of seven per cent—a meager figure which is only one half of the average for Asia. This paucity is only compounded with a corresponding shortfall in quality of higher education. **Thus, we infer that if the higher education system in India is to benefit the economy it has to be revamped systemically so it can reach as wide a base as possible without watering down the merit.**

It is helpful to be mindful of the following key points and statistics:

**No. of Universities and Colleges Enrolled in the year 2010-11**

Institutions/ universities/ colleges	Enrolled Numbers
Universities	523
Colleges	33023
AICTE Technical Institutions	11809
Distance teaching Univ./Institutions	200
Enrolment in Univ. and Colleges (in lakhs)	169.75
Enrolment in Open Distance Learning (in lakhs)	37.45
Enrolment in post sec./post grad diploma (in lakhs)	18.56
AICTE approved technical programs	10364
Intake in AICTE approved technical programs (in lakhs)	26.15

Source : Annual Report (MHRD) 2011-12

1. The number of higher education institutions in India has seen more than 50 fold growth in the last six and half decades.
2. On a sobering note, the GER figure is 16.0% for the year 2010-11. Further, it is inequitably distributed across gender, socio-economic and the rural-urban divide.
3. The considerable majority of higher education institutions in the vocational and professional sphere are privately owned and managed.
4. India boasts one of the most daunting distance education systems in the world—14 open universities and 120 distance education institutions.
5. It is slated to be the most populous country by 2030. More relevant to the discussion at hand is the fact that more than half its population is younger than 25.
6. In spite of the fact that the vast majority of the population falls in the workforce bracket, the skill level of the manpower is inadequate, resulting in markedly low productivity.
7. Pivotal to the discussion is the paradox that a significantly large number of graduates are unemployed or under-employed along with an acute shortage of skilled workers in the knowledge-intensive industry.
8. Paucity of skill intensive education is compounded by a parallel dearth of soft-skills. The outcome is workforce that is far from globally competitive. This was acknowledged and addressed by the Government's eleventh five year plan.

It would be safe to infer that relevance and quality in higher education in India are goals worth striving for.

**Government initiatives for enhancing higher education in India**

The Government of India has been wise in taking note of the gains we stand to accrue from investing in higher education. The following list of initiatives undertaken by the Government is by no means comprehensive; nonetheless it exemplifies the scope and nature of endeavors that are underway.

1. **The University Grants Commission (UGC) 12<sup>th</sup> plan** : An initiative of the University Grants Commission, the Plan

is structured to remedy the fundamental lapses in the Indian higher education system. The plan mandates that those autonomous colleges that show promise will be identified as “colleges with potential for excellence” (CPE) and upgraded into universities. To this end, the UGC has allotted over Rs. 1,84,740 crore.

The guiding idea is to ease the load of universities which are typically overburdened in terms of limited budget and administration of more colleges and students than is adequate. Parallel to the idea is the goal of greater autonomy to existing colleges and universities. It does so in very concrete terms: universities are not to have more than fifty affiliated colleges; further, the total enrollment is not to exceed 50,000 students.

The other stipulations are definitively welfare and affirmative in principle. The Plan mandates more funds for the singular goal of increasing enrolment so as to improve the national gross enrollment ratio (GER). The amendment will make grants available to 20,000 more government and government aided colleges. The funds are made available with the larger aim of banding together these colleges into “college cluster universities”.

**2. The National Skill Development Corporation India (NSDC) :** The NSDC is remarkable in that it is a “public-private partnership”. It aims to promote skill development by fostering vocational institutions. It operates through advocacy and initiatives supported by the Government of India and industry associations. The advocacy bit is carried out by “sector skills councils” which help identify skill development needs, and “sector specific labor market information system” which assist in the planning and delivery of training.

**3. The Ministry of Human resource Development (MHRD) :** The responsibility of furthering higher education in accordance with the guidelines lay out by the Government lies with the MHRD at the end of the day. The MHRD sponsored initiatives include projects such as the “National Commission for Higher Education and Research” (NCHER) and the “Education Tribunals Bill 2010”. The Ministry has a division dedicated to working on initiatives to improve internationalization of higher education. The International Cooperation Cell (ICC) is responsible for projects related to institutional collaborations, quality assurance, and scholarships and such. Among the noteworthy initiatives in international cooperation are: India-US Higher Education Summit, Singh-Obama Knowledge Initiative, UK-India Education and Research Initiative, and United States India Educational Foundation; furthermore, there is a whole gamut of collaborative and leadership programs under the aegis of UNESCO.

**4. The Confederation of Indian Industry (CII) initiatives in skill development :** The CII is credited with immense contribution to skills development in keeping with the needs of Indian industries so as to further employability of the working population. The CII also works to promote entrepreneurship and enterprise in the country. It has launched its own “Skills Development Initiative” in line with the National Skills Development Agenda with the goal of skill-training a target of 500 million people by the year 2022.

**Internationalization of Higher Education in India and its Impact on the Economy :** The internationalization of higher education in India is fallout of the liberalization that the country went through since the early nineties as part of a deliberate politico-economic strategy by the State. This shift in stance took form hand in hand with an ideological paradigm shift spawned by radical advancement in information technology and media all over the world.

The following three tables depict—in this order—the number of international students in India, the geographic region that they come from and the top ten countries that send the largest number of foreign students in India:

**Number of International students Enrolled in India (Year wise)**

Year	1990-91	1995-96	2000-01	2005-06	2010-11
Students	12,899	10087	7785	14456	21778

**Source :** Association of Indian Universities (as cited in Powar, 2012, p. 245)

**Region wise International students Enrolled in India**

Region	1990-91	1995-96	2000-01	2005-06	2010-11
Asia	5741	4831	3866	10493	16004
Africa	6318	4081	2964	2403	4193
N and S America	263	309	327	654	614
Europe	173	127	179	206	304
Australia	35	40	44	71	66
Miscellaneous	369	699	405	629	597
<b>Total</b>	<b>12899</b>	<b>10087</b>	<b>7785</b>	<b>14456</b>	<b>21778</b>

**Source :** Association of Indian Universities (as cited in Powar, 2012, p. 245)

**Country wise International students Enrolled in India**

Countries	2004-05	2007-08	2010-11
Iran	1120	2669	3027
Nepal	1352	1821	1922
United Arab Emirate	1500	1878	2089
Ethiopia	226	1033	1278
Sri Lanka	582	997	1087
Afghanistan	35	976	1134
Saudi Arabia	419	835	986
Kenya	418	592	679
Oman	646	548	745
<b>Total</b>	<b>6298</b>	<b>11349</b>	<b>12947</b>

**Source :** Association of Indian Universities (as cited in Powar, 2012, p. 245)

**Politico-diplomatic ties :** The Government of India has expressly proclaimed its intent to take initiatives to strengthen the presence of international students in India in the interest of public diplomacy (Agarwal). Internationalization of Indian universities has more to it than altruistic and symbolic inspirations. From the political perspective, India’s hegemonic position as the provider of higher education in the region strengthens its overall diplomatic and ambassadorial status.

**Contribution to Regional development :** An interesting point here would be the extent to which the city or region where the university base or headquarters are situated is a factor of internationalization of the university. Whitaker (2004) discusses the symbiotic relationship between cities or “cluster regions” and internationalization of universities and colleges. She argues that the agglomeration of services and businesses go to play an important role in attracting international students. The strength of international students, in turn encourages more businesses and services. She describes these economies as “knowledge-based economies”. The concentration of educated and skilled individuals leads to not only greater entrepreneurship, but also research and development.

Another outcome is that enterprises resulting from these “knowledge-based economies” are more competitive in the global economy and more likely to result in consumer satisfaction.

**Educational expertise as one of the many goods and services of export :** The discourse on the economic impact of internationalization of higher education would not be conclusive without viewing it in the context of an economic model that contributes to revenue generation just as well as other goods and services. The pivotal idea here is to establish correlations between the two variables and measure quantifiable impact of one on the other. In this backdrop, international higher education is the industry and inbound international students are the industrial output. The following are commonly identified economic outcomes associated with the inflow of international students:

1. Generation of employment and business
2. Strengthening of ancillary industries such as tourism
3. Expenses incurred: tuition and living expenses

The parallel growth of higher education and the economy in India :

**Trends and Facts :** “For India to maintain its economic growth in a global marketplace fueled by the knowledge economy, it needs to nearly double its number of students in higher education by 2012. Fifty-one percent of India’s population is under the age of 25. Without proper access to education the country’s demographic dividend could turn into a demographic disaster”. (Dukkipati, 2010)

In discussing the myriad ways in which higher education contributes to economic development in India, Tilak (2007) lists the following: improving earnings, alleviating absolute and relative poverty, influencing human development indicators such as infant mortality, gender parity and life expectancy.

Dukkipati (2010) postulates that the Government of India, expenditure on education, and more specifically higher education does not correspond with the country’s economic growth. The author points out that in the year 1950, higher education expenditure as a proportion of GNP was 0.19 percent and rose to 1 percent in 1980; however by the mid-1990s

it fell to 0.4 percent. In this backdrop the author makes a case for increasing the budget expenditure. It is also argued that given the limited national and state resources for drawing on funds, the budgetary support must be supplemented with foreign and private sources.

**Skill as the principle impetus for economic growth in India :** Dukkipati’s (2010) contention that skill/knowledge has spurred economic growth in the country is perhaps the most important line of reasoning in this discussion. The author argues that unlike China and the “Asian Tigers”, India’s economic growth has not been impelled by manufacturing; instead, it is the skilled workforce that has allowed India to step up on the economic ladder speedily. The author cites ICRIER to report that India boasts the world’s largest pool of techno-engineering talent; while India generates 400,000 engineers each year, the US only 60,000! The crux of the author’s argument is that to continue with this upward trend—at the very least to sustain the current growth rate, the country’s gross enrollment ratio (GER) would have to increase from 12 to 20 percent by 2015. As impressive as the phenomenal growth of higher education in India is, more concerted efforts are required to keep the momentum going.

“According to ICRIER, in 1950, India had 263,000 students enrolled in 750 colleges, which were affiliated with 30 universities. By 2005, the numbers had grown dramatically: 11 million students in 17,000 colleges affiliated with 230 universities. Another 10 million students were enrolled in 6,500 vocational institutions. Despite this phenomenal growth, India would have to nearly quadruple existing college seats and more than quadruple the number of professors to achieve the 20 percent GER by 2014 cited in the Venture Intelligence report” (Dukkipati, 2010).

He goes on to assert that if we are to stay true to our commitment to the avowed goal of making our economy in the 21<sup>st</sup> century a “knowledge economy”, we ought to address the growing demand for skilled manpower by aiming to increase the GER to the tune of 20%. The author outlines that the Government has not been consistent in according importance to the cause of boosting GER in higher education. He aligns this discrepancy to the corresponding inconsistency in the growth of higher education over the years; this has, in turn resulted in negatively impacting “access, equity, relevance and excellence” in higher education.

The author also points out that variation in higher education manifests itself not only in the Government’s allocation of funds but that it is also pronounced in other spectrums such as demographic divides across gender, caste and religion, disparity in the quality of education across institutions etc.

**Concluding observation :** In conclusion, the Indian economy is impacted by its higher education in a systemic manner. The two have shared a causal relationship since India’s colonial past, and have continued to evolve in a directly correlated fashion.

ion. The higher education system contributes enormously to nation building given India's demographic make-up, the lacunae that we have inherited from the British Raj as well as the plain fact of being a developing economy. A cursory survey of chronological evolution of the two systems reveals that insularity and parochialism have stunted our growth on both the fronts. Thankfully, our failings have been driven home to the policy makers and the Government has taken deliberate measures to reinvent ourselves as "knowledge economy"—an apt expression that captures the leadership's cognizance of the importance of the impact of higher education on economy.

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