On self-financing of institutions of higher learning in India

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ON SELF-FINANCING OF INSTITUTIONS OF HIGHER LEARNING IN INDIA

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The Indian Educational System at a Glance: The Indian educational system is spectacularly large. It has about 8.38 lakh primary/middle schools, 2.66 lakh secondary/higher secondary schools and 7.2 thousand tertiary schools (i.e. institutions imparting graduate and post-graduate general education). In 1998, the number of universities/Institutions (including those deemed to be Universities/Institutions) of national importance was 229. The number of institutions imparting technical/professional education also is equally impressive. The system has over 600 engineering/technology colleges, near 100 agriculture and forestry colleges and about 450 medical colleges. Over 6.5 thousand institutions impart professional/vocational and technical training/diplomas. Teachers in primary, secondary and higher secondary schools undergo training in teaching. For such training, there are about 850 institutions.

The enrolment figures in these institutions also are very impressive. In 1998, primary and middle schools enrolled 151.1 million pupils, while secondary/higher secondary schools enrolled 27.2 million of them. The enrolment in tertiary schools (imparting general education - graduation and above) was 5.7 million students. In the institutions of professional education, the enrolment figures are: engineering (degree) - 1.39 lakh; engineering (diploma) – 1.86 lakh; medical (allopathy) – 18 thousand; dental – 3 thousand; paramedical – 26 thousand; agriculture – 10 thousand; veterinary – 2000; natural sciences - about 2 lakhs.

The significance of teachers in the educational system is remarkable, not only because they make the most important input in imparting education to the pupils, but also because their salary component makes a very significant part of the total cost of education. In 1998, the number of teachers in primary/middle schools was over 31 lakhs, while that in the secondary/higher secondary schools was over 15.2 lakhs. In the tertiary schools (colleges imparting degree or PG level general education) the number of teachers was about 2.8 lakhs. Teachers in university teaching departments, professional educational institutions and other research institutions of national importance were about 1.3 lakhs in number. Overall, some 51 lakh teachers work in the educational institutions in India.

The government almost wholly supports a greater part of the educational institutions in India; only a tiny minority of them is self-supporting. Because of that, public expenditure on education in India is substantial. During 1998-99, nearly 4 percent of Gross Domestic Product of India was allocated the system of education. The allocated public expenditure on education amounted to about Rs. 4.6 thousand cores (Basic Statistics of NER 2000, pp. 239-40: VIII Plan Outlay by Heads of development, Centre, State and Union Territories).

Table #1 indicates the growth of public expenditure on education. Starting with a modest percentage of 1.27 in 1950-51, it rose to claim about 3% of the GDP in 1980-81. By 1990-91, it touched its peak at 4.34% of GDP. Since then it headed to a decline, now hovering around the 3.9%. These ratios, however, need not worry us. All the national education commissions from 1964 onwards recommended, and all political parties readily agreed to, the need for

setting apart six percent of the GNP for education. But the actual ratio has never reached 6% of GDP despite expansion of the education sector during the last 50 years. The matter of concern lies somewhere else, which we will discuss later.

Table # 1: Public Expenditure on Education
Quantum and as a % to Gross Domestic Product (GDP)

Year	Gross Domestic Product	Education Expenditure	Edn Exp as % to GDP	Year	Gross Domestic Product	Education Expenditure	Edn Exp as % to GDP
1950-51	8,979	114	1.27	1990-91	477,814	20,761	4.34
1960-61	15,254	344	2.26	1991-92	552,768	22,639	4.10
1970-71	39,708	1,118	2.82	1992-93	630,772	25,303	4.01
1975-76	71,201	2,105	2.96	1993-94	732,874	28,599	3.90
1980-81	122,427	3,641	2.97	1994-95	868,019	32,875	3.79
1985-86	233,799	7,457	3.19	1995-96	1,006,286	39,299	3.91
1986-87	260,030	8,450	3.25	1996-97	1,149,215	43,723	3.80
1987-88	294,851	10,430	3.54	1997-98*	1,204,084	46,900	3.90
1988-89	352,706	12,409	3.52	1998-99*	1,283,542	50,061	3.90
1989-90	408,662	15,292	3.74	1999-2K*	1,360,578	53,129	3.90
GDP and Education Expenditure (Rs. Crores) at current prices. * Estimated							

Data obtained from Institute of Applied Manpower Research, New Delhi.

Table # 2: Percentage Distribution of Budgeted Expenditure
by Stages of Education in India

Stage	*1970 -71*	*1980 -81*	*1985 -86*	*1991 -92*	*1993 -94*	*1994 -95*	*1995 -96*	*1996 -97*
Elementary Education	44.90	48.50	46.30	43.80	46.20	46.30	47.30	50.10
Secondary Education	31.30	32.30	30.80	30.50	31.40	31.40	31.70	30.70
University + Other Higher Education	9.30	12.20	14.00	13.20	12.20	12.00	12.10	11.50
Technical Education	3.80	2.80	4.60	4.80	4.50	4.50	4.30	4.00
Others*	10.70	4.20	4.30	7.70	5.70	5.80	4.60	3.70
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Data obtained from Institute of Applied Manpower Research, New Delhi								

Expenditure on Higher Education: As George & Raman state, higher education claimed a little less than one-fifth of the total expenditure on education in 1950-51. It increased to about a quarter by 1955-56, and continued to be stable around that ratio up to the sixth Five Year Plan (1980-85), though with an upward bias. However, 1986 onwards, it began claiming larger and larger share in the total expenditure on education. This trend continued until 1990-91. With the structural adjustment regime in the 1990s, the ratio of public expenditure on education to the GDP came down from 4.34 percent in 1990-91 to 3.8 percent in 1996-97. The share of higher education in the total allocation on education budgets of the central and state governments dropped from 18.1 percent in 1991 to 16.7 percent in 1995-96. After this, there was a substantial hike in the salaries of the staff in the higher education sector. This change in

the structure had a direct effect on the financial allocation on other educational inputs. The already low share of capital expenditure in the total educational expenditure came down from 1.3 percent in 1990-91 to 0.8 percent in 1995-96 (George, KK and Raman, R). Data obtained from an alternative source (see tables #2 and #3) are at variance with those reported by George & Raman.

Table # 3: Percentage Expenditure on Education to Total Budget Allocation in India: 1996-97

(in Rs. Crores)		Expenditure on Education as % to Budget allocation	Percentage Break up of Expenditure on Education & Training, etc					
Total Budget	Expenditure on Education & Training, etc		Element-ary Edu-cation	Second-ary Edu-cation	Univ & Higher Edu-cation	Tech-Nical Educ-ation	Others	Total
163483.84	37052.07	22.66	49.99	32.73	10.89	3.05	3.34	100.00
Data obtained from Institute of Applied Manpower Research, New Delhi								

We get a different picture in : "*The share of higher education in total planned resources increased from 0.71% in the first Five-Year plan to 1.24 % in the fourth Five-Year plan. But ever since, it has declined continuously to 0.53% in the seventh Five-Year plan and further down to 0.35% in the eighth Five-Year plan (1992-97), though the actual expenditure has increased by more than 100 times from Rs.140 million in the first Five-Year plan to Rs. 15,000 million in the eighth Five-Year plan at current prices, and 6.5 times in terms of real prices*." (MHRD & NIC, 2000).

In what we have seen above, a very important point deserves our attention. The financial allocation on education is well below the point (6% of GDP) that is considered optimal and at that it has started declining in the post liberalisation era. A natural argument would be therefore, that we should boost up investment in education in general and higher education in particular, rather than going in for a further shrinkage in public expenditure and exhorting the institutions of higher education to seek avenues for self-financing their educational programmes. However, the worries of the MHRD, Govt. of India, are amply reflected in the Country Paper presented at UNESCO Conference on Higher Education. We cite from the paper:

> *'Higher education in India is in deep financial strain, with escalating costs and increasing needs, on the one hand, and shrinking budgetary resources, on the other. The share of higher education in total planned resources increased from 0.71% in the first Five-Year plan to 1.24 % in the fourth Five-Year plan. But ever since, it has declined continuously to 0.53% in the seventh Five-Year plan and further down to 0.35% in the eighth Five-Year plan (1992-97), though the actual expenditure has increased by more than 100 times from Rs.140 million in the first Five-Year plan to Rs. 15,000 million in the eighth Five-Year plan at current prices, and 6.5 times in terms of real prices. Thus, although higher education in India is characterized by massive public investment, this investment is still regarded as much below the optimum.*
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> *Recently, major efforts have been mounted for mobilization of resources and it has been recommended that while the Government should make a firm commitment to higher education, institutions of higher education should make efforts to raise their own resources by raising the fee levels, encouraging private donations and by generating revenues through consultancy and other activities. A suggestion has also been mooted*

for levying an educational cess. It is clearly seen that if higher education has to be maintained and developed further, the Government will have to step up measures for encouraging self-reliance while providing a much more massive investment than hitherto.'

A Deeper Analysis of the Predicaments of Higher Education System in India: Although it appears that the trouble of the Higher education system in India is its being "in deep financial strain, with escalating costs and increasing needs coupled with the shrinking budgetary resources", this apparent and immediate reason is only a symptom and not the ailment. The ailment has other concurrent symptoms too – deteriorating standards of teachers as well as the taught in the institutions of higher education, the so-called "educated unemployment", a swelling mass of unemployable manpower, poor performance of the "human capital" at work, and so on.

When we consider education in relation to development, we must visualize what it may signify. The purpose of education are twofold: (i) to rationalize and modernize the attitudes of those who receive education and in turn, to inculcate and nurture such attitudes among the rest of the society through the "'educated" ones, and (ii) to impart to the recipients of education the knowledge and skill together with the ability to acquire further knowledge and still better skill by their own efforts. The touchstone of the worth of an education system is in meeting these objectives.

The modernized attitudes relate to efficiency, diligence, orderliness, punctuality, frugality, scrupulous honesty, rationality in decisions on actions, analytical rather than dogmatic view to understanding the world, preparedness for change, alertness to opportunities, energetic enterprise, integrity and self-reliance, cooperativeness, acceptance of responsibility for the welfare of the community and the nation, willingness to take the long view and so on. The skills relate to knowing and the application of knowledge to changing things that may be more useful after such a transformation.

Whatever might be in the minds and the speeches of those who were instrumental in formulating and implementing the educational policies and programs in India after her independence, their actions revealed that they did little to restructure the 'received' educational system from the colonial regime. Instead of restructuring, the policy of laissez faire was adopted. And it is not true that they were ignorant of this, nor is it true that they were not reminded of such a misplacement and misdirection. Education Committees appointed from time to time have amply pointed to the ailment of the education system and suggested necessary reforms, but with no avail. Economists of great repute have deliberated upon the ailment, but only in vain.

In what follows in this section, we will quote much from Asian Drama of Gunnar Myrdal. Our objectives in doing so are threefold: (i) to prove that what is troubling the higher education system in India today, was predictable long back; (ii) to show that in spite of knowing the nature and the reasons of ailment and its repercussions too, no effective remedial measures were taken, and (iii) to warn that the remedies thought appropriate at present may prove to be either ineffective or destructive in the long run, unless they are carefully chosen and administered.

To begin, let us look back into the history of education system in India. This is relevant because it gives us an idea of the blue print on which the entire edifice of education system of India has been erected.

> *'In the field of secondary education the policy decision of 1835 opened up an era of rapid expansion of school facilities for the Indian upper strata that continued to the end of the colonial period and beyond, on the whole with accelerating speed. But the structure of this whole system was determined by the fact that the degree given were the primary objective and that these degrees served as passports to government service. In all Indian schools whose courses aimed at entrance to higher-level education, the emphasis was on "academic" subjects. Little, if any, attention was paid to scientific or technical subjects. Everything was geared to train individuals for subordinate positions in the colonial administration.'* (Myrdal, p. 383).

That this legacy continues even today is amply reflected in the statistics on the number of educational institutions and enrolments therein. We have mentioned before that in 1998 there were 7.2 thousand colleges imparting graduate and post-graduate education in humanities, social sciences and "academic" natural sciences to 5.7 million students. On the other hand, 600 engineering/technology colleges, near 100 agriculture and forestry colleges and about 450 medical colleges, totaling 1150 in number, imparted degree level professional or technical education to about 0.21 million students. The distribution of students in general vs. professional education is 96:4. The revealed preference of students for general education is so much that we find that only 1.86 lakh students have gone in for diploma in engineering and only 26 thousand students have opted for paramedical education. In an agricultural country like ours, only 10,000 students have opted for agricultural science as their profession and only 2000 students have gone in for veterinary colleges. On the other hand, 5.7 million students have opted for general education. This is so in spite of 6.5 thousand institutions imparting professional/vocational and technical training/diplomas. Students passing out from secondary schools seldom think of joining institutions of technical training. The attitudinal structure of the society disfavours vocational and technical training and unconsciously though, considers the benefits of education from such education inferior to the status of "educated unemployed" but with a degree in arts, commerce or science. Veblen (1899/1953) attributes this to the leisure class culture. Myrdal finds the genesis of this attitude in the legacy of the colonial system of education. The objective of the colonial powers

> *'was not to change the people's basic attitudes and help prepare them for development. … All this must be taken into account when noting that it has proved difficult to reform secondary and higher education by expanding vocational and technical courses of study at the expense of literary and academic courses.'* (Myrdal, p. 386).

With ever increasing number of higher educational institutions (colleges and universities) imparting "academic" education to the students, mostly unfit to receive any kind of higher education whatsoever on account of their poor educational upbringing in primary and secondary schools so deficient in merit, the education in the tertiary schools deteriorated in quality. The teachers who, being the product of this system of higher education, joined these colleges and the universities in turn further accelerated this fall in standards. The expansion of higher education was accompanied with a rapid decline in quality. Expansion of general education was promoted even when the number of educated unemployed swelled and the supply of professional manpower remained deficient.

'what has actually happened is that secondary schooling has been rising much faster and tertiary schooling has increased still more rapidly. … This has all happened in spite of the fact that secondary schooling seems to be three to five times more expensive than primary schooling, and schooling at the tertiary level five to seven times more expensive than at the secondary level.' (Myrdal, p. 403).

'The expansion of tertiary education … tend to perpetuate low standards, and, indeed, often reduces them further. The quality of academic teachers is low and has often tended to deteriorate. …have a very high wastage … continue to produce an oversupply of "generalists," who have been trained in the humanities, law, the social sciences, and "academic" natural sciences, and who swell the ranks of underqualified administrators, clerks and "educated unemployed," … At the same time, more engineers, agricultural technicians, doctors, dentists, pharmocologists, and, not the least teachers on all levels are needed.' (Myrdal, pp. 415-16).

The swelling number of so-called "educated" youth aspiring for jobs are in fact unemployable partly because they have not acquired any skill that may be useful for the industry or even commerce, and partly because they have an apathetic attitude to manual work. Therefore they often seek jobs in the government, which suits most to their temperament and ability.

The making of such unemployable educated youths is attributable to the higher education system. This system has always pretended to impart knowledge and skill of critical examination to the students but in reality it has found out a myriad of methods to distribute degrees, even research degrees, to the most undeserving.

The history of colleges and universities in India is replete with the incidence of student agitations against any kind of effort on the part of the college/university authorities to preserve or consolidate the sanctity of examinations, or raising of standard of education. In these agitations all opportunistic forces including teachers and politicians have often lent their support to the students. Through trials and errors, the college/university authorities also have found that to maintain peace and tranquility in their institutions it is expedient to allow the quality of education to deteriorate as long as the objective measures of quality such as number of days of teaching, results of students, timely conduction of examinations and publishing of results, etc. are not adversely affected. This solution appeases every one, but at the cost of quality of education and making the youths unfit for anything other than joining the ever-increasing pool of the "unemployed".

'Teaching … does little to encourage a questioning, critical attitude or an interest in self-education outside and beyond the school. …. the average student …expects the professor and the textbooks – or selected pages in the textbooks – to impart to him the knowledge he needs, and accepts what is offered to him without contributing much intellectual effort of his own other than in listening, reading and memorizing. His submissiveness in this respect stands in curious contrast to his readiness to protest if he feels that requirements in examinations are unduly taxing.' (Myrdal, p. 385).

'The mal-adjustment between the education system and the socio-economic needs of our developing economy has further increased. A result of this has been the increase in the number of educated unemployed side by side with the shortage of trained personnel.' (Myrdal, quoting an Indian Report, pp. 415-15).

It would be quite unreal and rash to think that those who matter in formulating and implementing education policies were unaware of the state of affairs or the reports of education committees or the observations of an influential and well-known economist like Gunnar Myrdal and his famous book. It is more likely that they undermined the importance of these all, took a narrow, myopic view of the matter, and followed the policy of appeasement to one and all for political expediency and vested interests. Otherwise, it is impossible to conceive how can one rationalize the ever-increasing dilution of standards in promoting teachers in colleges and universities, creating new positions plan after plan while teachers in non-plan positions are grossly underutilized and evidently unproductive, and yet raising their salaries to economically unviable levels. It is not a fantasy to think that Herbert Simon in his dream had met some Indian leaders, administrators and academics to discover the principles of satisficing behaviour.

Financial Measures and the Quality of education: It has been pointed out before that 6% of GDP spent on education has been considered optimal. This optimal point has never been met. The government also thinks that although higher education in India is characterized by massive public investment, this investment is still regarded as much below the optimum. 'It is clearly seen that if higher education has to be maintained and developed further, the Government will have to step up measures for encouraging self-reliance while providing a much more massive investment than hitherto.' This view of investment in education presumes that the 'investment' is well allocated, its efficiency in meeting its objectives is beyond question, the only problem is that it is not enough in magnitude, mainly due to financial constraints. Let us see what Myrdal says on this issue.

> *'Any attempt to measure educational levels in terms of the financial resources devoted to education – or the facilities provided, such as teachers employed – is bound to fail for one thing. The output of education, both in imparting of abilities and the improvement of attitudes, would bear no definite relation to the "inputs" of resources. There is a great wastage…and much of it is plain misdirection. Given modernization and development as goals, the wrong type of abilities and the wrong attitudes are imparted or preserved. This implies that improvement of education requires a better use of resources, not simply an increase in the volume of resources used for that purpose.'* (Myrdal, pp. 355-56).

If we have any regard for Myrdal as an economist and a man of affairs (he was also the finance minister to the Government in Sweden), we may value his observations and strive for better use of resources spent on education in imparting of abilities and moulding attitudes favourable to development, checking wastages, arresting misdirection, shunning the practice of appeasement, and taking a long view of the effects of our decisions.

The Issue of Self-financing of Higher Education: The idea of self-financing of higher education stems from the explicit financial difficulties faced by the government in bearing the burden of the colossal system of higher education manned by some 3.1 lakh teachers, their non-teaching counterpart and associated financial implications of teaching. If the productivity of a system howsoever large is commensurate with the cost of running that system, it should not cause much concern. However, when the deadweight of a system is several times larger than its productivity, keeping that system running will necessarily demand support from outside so long as it keeps running. The cause of real concern in the back of minds of the government is the huge deadweight of the system that claims enormous public expenditure without a commensurate meaningful output. The Government of India's 1997 discussion paper on Government Subsidies in India provided a revealing insight into government thinking. For the first time, higher education (as well as secondary education) was classified in the

discussion paper as a "nonmerit good" (and elementary education as a "merit good"), government subsidies for which would need to be reduced drastically (Patil, VT, 2002). But confessing this fact was utterly embarrassing as it tells the long history of thoughtless management of the higher education system, and disregard for the instructions of the wise (Myrdal pp. 399-426). Therefore, the Ministry of Finance, Govt. of India, immediately covered up the confession. It reclassified higher education into a category called "merit 2 goods," which need not be subsidized by the state at the same level as merit goods (Tilak, JBG, 2002).

In the wake of privatization, the government is going ahead with selling out public enterprises to the private management. Many of these public enterprises, though not running profitably under the public management, are nevertheless economically viable. These enterprises have built up huge physical capital at the public expense in the past. They produce goods and services that have a substantial demand in the market.

But in case of higher education it is not so. To understand this, let us take an example of a hypothetical university (but pretty close to a real one, see Mishra SK & Panda, NM) imparting general education (humanities, social sciences, "academic" natural sciences, etc.) at masters and research level. This university has some 20 departments, 1500 students, 200 teachers and equally many (or more) non-teaching staff. The average salary of a teacher is Rs. 3 lakh per year and that of the non-teaching staff 1.5 lakh per year. Salary bills make up some 35% of the total annual expenses of the running cost of the university. Accordingly, the university explicitly spends an amount of Rs. 25 crores per year. The unit cost of education (per student/year) is Rs. 1.67 lakhs. Note that this cost does not include cost of capital and post-retirement benefits, etc to the employees of the university, which is undoubtedly huge. On an average, a student obtains masters degree in two years and a research degree in 3 years or a little more. Thus, the cost of obtaining masters degree is a little over 3.2 lakhs and that of PhD about 5 lakhs.

Now suppose the university wants to self-finance its operations without any structural change. The fees chargeable to a student will be some 14 thousand rupees per month. Can the university solicit this amount of monthly fees of higher education? It is to be noted that at present the monthly fees charged by such a university is not even a modest fraction of this amount, not even 2% of that. It has been observed that students express a deep feeling of resentment (suggesting imminent revolt if not managed) even if the prevailing rates of fees are enhanced only slightly. One must not forget that the early 1970s unleashed among the students a great feeling or realization of their importance in the prevailing political environment in the country. The cases of Bihar and Assam are typical for understanding the causes and the consequences of that realization. Those who have any political concern know this power. Those who practice politics know very well how to channel this power to meet their political ends. Therefore, it is not possible to enhance fees to any appreciable extent so that it matches even moderately with the expenditure on higher education.

Next, let us look into the demand side of the existing educational programs. We recall that the marginal cost of producing a master's degree holder is Rs. 3.2 lakhs and that of a PhD Rs. 5 lakhs. At the prevailing rate of interest, the annual rate of return on this investment is Rs. 20 thousand for masters and about Rs. 35 thousand for PhD. These amount to Rs. 1700 per month for a master's degree and a little less than Rs. 3000 per month for a PhD degree. Now the question is: Is the marginal rate of return on investment in higher education (PG and PhD) that may accrue to a modal or average pass-out of the university enough to elicit the demand for education at this cost? In an environment of "educated unemployment", it would be impractical to think that market will reveal the demand for higher education at this cost.

The implication of the lack of effective demand for higher education would be a further underutilization of capacity in the institutions of higher learning. If these institutions must earn to support themselves, the result would be the violent collapse of the entire structure of higher education in India. In this situation, we cannot sell out our institutions of higher education to the private sector. Nobody will buy them. The public sector enterprises spoken of earlier could, and can further, be sold out since they contain more assets than liabilities. The mammoth system of higher education cannot be sold out to the private entrepreneurs because it contains little asset but formidable liabilities coupled with a poor effective demand.

Of late, the private sector is entering into the business of higher education. Soon it will capture that part of the market which is remunerative. It will pick up wheat away from the chaff. Since her Independence, the private sector in India has mastered the art of making money - not that of making goods - and the public sector has learned neither of the two. It is doubtful that the private sector in higher education will deliver goods needed for the prosperity of the nation. At that, the left over part of the market, unattended by the private sector, will have no ability or willingness to pay. This latter one will be quite sizeable. It will be impractical to launch at self-financing of higher education in the public sector.

Thus unless we are ready to restructure the system of higher education, we will have only two alternatives: first not to press upon the institutions of higher education to earn their own sustenance, and the second to constrain them to do so and wait for their doomsday. If one plans to erect a new structure on the debris of the present one, it is an entirely different matter.

Additionally, one must think on a singularly different role of higher education that relates to keeping the students, the adolescent and youth forces, engaged in wild-goose chase for several years. Age mallows us on account of many reasons – wisdom, attachment, tapering rate of creative energy, emotional stability, realization of factual situation, disillusionment and so on. Thus, higher education suppresses the tendency to revolt against the contradictions in the social system. It works as a great palliative. If economic constraints eject the adolescents and youths without providing them with an alternative, it would perhaps backfire violently. This possibility should concern us.

A Macro-level Program for Recovery: The ailment of the higher education system in India is not a matter of financial constraint and therefore, its remedy is not a program for self-financing. It is erroneous to think that as long as the institutions of higher learning are financed by the government, they educate students at the lower private cost - that no sooner will the government stop financing them than they will tap their fuel from the market - that the demand for higher education is potent and large, and so on. On the contrary, the demand for higher education is large as long as its price is abysmally low. People consume education – rightly, public expenditure on education falls under the budgetary head of “social services” although economists labour hard to view such expenditure as an investment in man – and one will consume a lot of it as long as it is free or almost free. Higher education - what it means today – is unproductive, nothing other than a conspicuous consumption. Were it otherwise, the market is not so callous as to allow the ‘educated’ to join the army of “educated unemployed”. It would have absorbed them in its own interest.

The ailment of higher education lies in its being misdirected, ill structured, wrongly prioritized and pitiably obese and corpulent. It has a long history of eating too much and working too little. An unwise dieting and resolute exercise of starvation would nevertheless kill it. To restore its health it must avoid - further eating of fatty foods, habitual lying in the bed and reading comics,

etc. It must change its old routine, must do some manual work, and go in for long walks and so on. Other people in the family must not pamper its wanton desires of voracity.

In the past, irrespective of their need and viability, many colleges and universities were established just for political expediency and appeasement of the populist sentiments and pressure groups. Had these institutions complemented and supplemented the existing ones by starting new courses for generation of skill and competence in some profession of social relevance, matters would not have worsened so much. But these institutions simply duplicated the existing ones – sociology, history, education, economics, local languages, philosophy, etc. very often and much less frequently "academic" natural sciences such as botany, zoology, chemistry, physics and with all these, mathematics and pure mathematics at that. This was so gratifying to the adolescents, their parents and the politicians. This tendency has to be curbed. Establishment of colleges and universities for appeasement of the populist sentiments must give way to productivity-based education.

There is a need to design a policy to prepare the students in high schools to go in for professional education. Then, it must motivate the school pass-outs to opt for job-oriented, professional, technical and practical education. At present, students face with numerous hurdles to obtain an entry into the institutions of professional education. This is partly because such institutions are not many in number, and partly because we expect too much from a student who desires to enter into a professional course. After one is admitted into a professional course, what one does is known to many of us and with what ability one comes out from there is not very difficult to know. However, the technocrats and the professionals are very keen at maintaining and creating further barriers to entry into these branches of learning. Yet, almost any one can buy an admission by paying a handsome amount to some money-minting institution. Thus, barriers to entry exist simply to protect the vested interests. Maintenance of quality by restrictions on entry is only an alibi, based on false premise that a restricted size of enrolment at present renders great quality. The government must do the needful to remove these barriers to entry, primarily by establishing many more institutions of professional and technical education. At present, many private institutions are being established to cater to the needs of those desirous of obtaining a professional degree. They pay huge amounts to obtain an entry. Why cannot the public sector do that? Whatsoever is in demand, whatsoever is paying, whatsoever is profitable, that is given to the private sector and the public sector with a specialization in teaching social sciences and humanities dreams of self-financing.

There is a need to change the fee structure in higher education -*'fees as a means of guiding students in a planned direction – for instance, away from general … to vocational'* education*'* (Myrdel, p. 401). If general education is made costlier than the vocational education and there is enough number of institutions to impart such education, school pass-outs may opt for a vocational education. One must try with this idea. The colleges and the universities may gradually be restructured to have more teaching department for vocational education on the one hand and less number of "academic" departments. We must begin weaning of "academic" departments, but with an opening of avenues to the school pass-outs to enter into the vocational departments.

Teachers in many colleges and most university departments have at present little of work and enough of leisure, only with a lot of ostentatious display of academic involvement . One need not go by their description as to how they devote their 40 hours per week as stipulated by the University Grants Commission. Education is partly a training to develop the skill of story making and story telling. Well-educated teachers can aptly make a story on how they usefully

spend their 40 hours every week in the great effort to creating and disseminating the jewels of knowledge. But the fact remains that they are under-worked. Why should it not be mandatory that every teacher will produce a book in his discipline at an interval of every five years – not by merely collecting articles written by others, but by writing a complete treatise himself, or translating a good book – which will be judged by a good publishing house in collaboration with the university and published if found suitable. It may fetch a good deal of revenue to the teacher himself, the university and the economy. Such a publication should preferably be a requirement for continuation of a teacher's job, but if that is not possible, it will be a condition on him for next increments and promotion to the next higher position. There should be more stringent requirements to win a readership and professorship, which, at present, is being given as a gratis. If one thinks in this line, there can be several means to make the institutions of higher learning productive and socially relevant. Nevertheless, the government must impose such a criterion. As long as the apex organizations like UGC require that eight years and three or five papers of whatever quality vetted by whomsoever would suffice for a promotion, an individual university may set more strict standards only for its peril by invoking the ire of teachers and the UGC conjoint.

In nursing and treatment of a sick person to bring him back to health, it is necessary that he be given not what his wanton desires urge, but what he needs and what is medically prudent to be given. Our higher education system needs restructuring. It needs abandoning the received legacies of the past and take necessary twists and turns to fit itself into the need of our time. It must gear itself to fostering development rather than to serve the conspicuous consumption requirement of the public or the political needs of the leaders. But unfortunately, the government is in a dilemma, whether to privatize higher education, induce publicly financed educational institutions to go in for self-financing or do anything else, mostly due to the discordance between political expediency and economic rationale.

> *'The absence of a coherent long-term policy perspective on higher education has been the hallmark of Indian higher education in the 1990s and even in the present decade. The government's lack of clarity on how to address the issue of privatization has led to ad hoc policies or, in their absence, to the chaos created by the several actors of higher education—the central government, the states, the University Grants Commission, the All India Council for Technical Education, the National Council of Teacher Education, universities, colleges, and (most importantly) the private sector. Market forces have become very active; but since the markets in developing countries like India are incomplete and imperfect, the outcomes are far from perfect and, in some areas, disastrous.*' (Tilak, JBG, 2002).

A Micro-level Program for Self-financing: A particular institution – college or university – is not perfectly free to design its programs to cure all its ills because some of them have their origin in the system itself, of which a particular institution is only a constituent. Nevertheless, every institution has some degree of autonomy. Let us now explore this sphere of autonomy.

Self-financing implies earning money. Money can be earned in two ways, first by meeting the existing demand and second by creating a demand for ones own goods/services and then meeting that demand. Creating the demand means diving deeper into the requirements latent in the unconscious of the potential clientele, identifying the specific propensity to consume, arousing it and bringing it up to the conscious of the clientele on the one hand and presenting before them the product/service that would meet their nascent conscious requirement. However, creating the demand alone will not help much in earning money. One may arouse

demand for a good, but only to the benefit of others if one cannot ensure that one will supply the good enough in quantity and gratifying in quality for a long period. Besides, one will also have to see that ones potential rivals are kept away.

To earn money one must observe the principles of earning money. One of those principles is to innovate – to find a new product, to find a new clientele, a new market, a new way to produce, a new input to produce the good, a new way to advertisement, a new manner to reach the clientele, a new technology to produce and so on. Another principle is to economise – to minimize wastage, to minimize under-utilization, to minimize conflicts, to remove bottlenecks and so on. A yet another principle is to identify and harness comparative advantages and refrain from indulgence in comparative disadvantages. Furthermore, cooperation, accountability, tying of individual and organizational interests, clarity in goals setting, etc matter in earning money. An educational institution that desires to earn money must translate these principles in practice.

Institutions of higher education churn out three products – research, reading material and training. Research generates new knowledge, reading materials document and organize new and old knowledge together and training is absorption of knowledge by the trainee.

At present, research in most of the institutions of higher learning is disorganized, unstructured, mostly repetitive and irrelevant. It is needed that universities should promote directed research. The industrial houses or the government, semi-government and autonomous institutions should back up most of the research activities. To this end, teachers should be encouraged to approach these institutions. The university should chalk out a well thought out program to reward the teachers who perform and penalize the teachers who do not perform (W.A. Lewis). One must remember that pressure accelerates the pace of development. Pressure from above, pressure from sides and pressure from below must be generated. Leakages that do not allow building pressure fail the most potent explosive. The university should go in for promotional advertisement and approach business and industrial houses, government, etc. and make them aware of its research capabilities and how it can help them with research. If the business and industrial houses sponsor research, it will fetch enormous financial resources to develop and strengthen research activities in the university. Furthermore, the research students will develop connection with their potential employers and will have no employment problem after completion of their research. The university may take necessary steps to patenting the knowledge or the product developed through research. The researcher and the university may have joint intellectual property right of patents.

Every university has certain locational advantages – the advantages that the specific natural endowment of the site gives to it. A certain university may have the advantages of the wealth of medicinal plants at its easy reach. It may have the most suitable habitat of beautiful orchids at its doorsteps. It may have enchanting scenic beauty all around it. There are innumerable ways how to convert these endowments and information regarding them as a great source of money. However, if that university chooses not to harness these endowments of the locality to its advantage, self-financing is an impossible task. It may be noted that each of these endowments can promote botany, zoology, biochemistry, chemistry, physics, economics, commerce, sociology and so on with a special flavour that will have nation-wide and worldwide clientele.

Promotion of publication activities may be another step to earn money. Publication ranges from textbooks to high-level, specialized reference documents. Teachers in the universities and colleges may be induced by various means to publish, not only the research papers in the

journals abroad, but books too, which may well be published by the university. Some universities have a significant capacity to publish – as they have a full-fledged publication infrastructure. But they are content with publishing 'admission brochures' or some books that cannot be published elsewhere. That will not do. They have to run their publication division with a professional spirit, maybe in collaboration with some established publishing house and turn out books to capture the market. Publication of journals may be another significant source of revenue and fame. Why cannot every teaching department in a university run a journal? It will give work, fame and sense of realization of capabilities to the teachers. It is feasible, but one must be a little cautious. Good papers make a good journal and good journals attract good papers. A compromise with the quality of papers due to vested interests, emotional infirmities, populist tendencies or mere casual concern may soon turn a journal into a collection of garbage that cannot attract good papers or money. Many Indian journals have lost their worth due to the weaknesses pointed out above. The university must be vigilant to maintain the quality of the journal that it publishes.

Every branch of knowledge has many latent areas hitherto undiscovered. Teachers must be made effortful to discover these areas, nurture them and develop them as a branch of learning to occupy its place in the curricula. Reading materials on these branches of knowledge should be prepared. This will innovate teaching and attract students. Restructuring and meaningful updating of obsolete courses also are required to attract students and their potential employers. For an instance, why the students of economics are not taught the economics of advertising, product differentiation, utility-based packaging, etc instead of 'junk' like mathematical economics or toy-models of economic growth?. Examples may be given from all branches of "academic" sciences, but one given above may suffice to serve as an instructive.

Education programs in the institutions of higher learning should not be limited to offering degrees and diplomas to the youngsters. Utility-based training programs useful to the personnel in industrial and business house, in government organizations, etc may be a significant source of revenue to the institutions of higher learning.

To do all these things, the university authorities must be earnest, effortful, watchful, thoughtful and sensitive. They must shun perfunctory democratization. To earn money one has to be industrious and that means a good bye to the policy of laissez faire. One must reflect every day on prudence, innovation, cane-candy principle, fixing of responsibility, exploitation of comparative advantages, reliance on interdependency and cooperation, removal of conflicts, indifferences and bottlenecks and subversive tendencies, clear, self consistent and explicit goal setting, rational choice of paths to the goals, inculcation of positive attitudes, minimization of wastages, utilization of untapped potentials and so on. In several institutions of learning there are telling instances of idle capacities – non-teaching centers, non-performing units, sleeping research cells – that only add to the burden on the public exchequer. Those institutions, nevertheless, have thousand and one reasons not to utilize those idle capacities for a productive purpose, but behind all that there is a poor will to economize, a poor will to develop, a paralyzing indifference.

One must always remember that money begets money, reputation begets reputation and lethargy begets lethargy. To earn money one has to use money effectively. This is anybody's experience that while most of the institutions of higher learning do not mind spending a treasure on unproductive occupations, they turn penny wise when a productive activity demands only a little support. One cannot expect to earn money while indulging in extravagance. A penny saved is a penny earned, and these institutions want to earn money by saving it from being spent on productive activities. Money flows like water on conspicuous

consumption and unproductive indulgence. What is needed is to evaluate the economic worth of an activity before it gets financial support from the university.

Lastly, there cannot be any 'mantra' to earn money and go in for self-financing. Each institution of higher learning has to reflect on its own prospects and constraints and firmly stride on its path to progress. Nature has a provision for every one but one must make efforts. It cannot be believed that an organization that enshrines a vast army of the intelligentsia, commands a treasure of knowledge, possesses the skill to understand the nature of things and change them to serve the interest of the society, would stagnate for want of resources from the government. It is true that history is replete with the instances when universities of great fame in the past disintegrated, crumbled down and vanished for want of the government support. But the power of man lies in changing the history, redirecting its run and stopping it to repeat itself.

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