

What Organized Business Wants from Higher Education: A Look at India

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In November 2011, the Federation of Indian Chambers of Commerce and Industry (FICCI), which proclaims itself Industry's Voice for Policy Change, hosted a major conference on the future of Indian higher education. Participation amply involved, though not limited to, Indian business interests and private higher education. FICCI laid out organized business's basic views about the appropriate policy agenda for the future of Indian higher education.

The main FICCI tenets are strikingly close to those seen at a business-oriented higher education seminar, a year before in the Philippines. Likely, the FICCI view focuses the organized business sector in many developing countries. This view might be broadly characterized as liberal modernizing—overlapping aspects of what is often labeled neoliberal. It translates into an agenda of growth,

priority attention to private higher education, academic modernization, and limited government regulation.

GROWTH

The business community appears as eager as public opinion for Indian higher education to expand, rapidly and greatly. Indeed expansion has been immense, with now 14.6 million students. Yet, this expansion still leaves a gross-enrollment rate of only 13.8 percent, up from 10 percent in 2000 but substantially below China's, for example. FICCI speaks approvingly of the government goal to reach 30 percent by 2020, which emphasizes the great excess of future demand over the present supply—without labeling that demand as excessive or the meeting of it as pandering to political pressures that are economically or academically injurious.

On the contrary, FICCI considers immense further growth as necessary to a knowledge economy, national development, and business interests. This growth must prominently include robust expansion of high-quality graduate education and research. FICCI laments the many size deficits in the higher education system—such as, infrastructural needs and, above all, sufficient faculty trained to meet even the present student enrollment.

THE PRIVATE SECTOR

Though FICCI's pro-growth position encompasses both sectors of higher education, it gives most attention to private higher education. Amid different figures, it appears that 30 percent is a good estimate for the private sector's share of total enrollment. Of course, in countries like India and China, respectively,

private higher education's ability to hold its own proportionally or moderately expanding share is remarkable given the unprecedented public growth.

The variability of figures on private higher education is a result of multiple factors, including the lack of a centralized plan for the sector, rapid expansion, enormous diversity of institutional type, as well as overlapping categories for labeling institutions. Deemed university, professional institute, business groups (e.g., Manipal Education Group), unaided private institutions, distance education, and a diversity of international partnerships are all higher education forms that have a private higher education component. The most dramatic setting of the private sector's growth lies in professional applied fields, such as engineering and management. The majority of deemed universities are private. International partnership listings are more common in private higher education than in public higher education. The unaided private sector (without government subsidy) has enjoyed large proportional growth.

FICCI approves and promotes private higher education's explosion of various institutional types. It explicitly declares in favor of both growth within existing institutions and establishment of new institutions and varieties. FICCI particularly cheers the spread of "state private universities," established by India's state legislatures. The cheers are for their relatively high autonomy and flexibility. FICCI is enthusiastic about the growth rate: 94 percent of state private universities have been established in just the last five years.

ACADEMIC MODERNIZATION

What business wants from higher education is based mainly on both sectors. Higher academic quality, relevance to the job market, and internationalization

are among the prime examples. However, business speaks on behalf of changes within the public sector that can be seen as partial privatization. Some of that agenda stems from business's keen, direct stake in private higher education and therefore in intersectoral issues. For example, FICCI calls for leveling the playing field by moving toward "student-side funding," whereas government money for higher education has mostly been for institutions, basically public institutions.

FICCI manifests concern over the low academic quality of many of the private institutions, often termed "demand-absorbing." Concern characterizes the view of the mind-boggling explosion to 31,324 institutions of higher education, up from 11,146 in 2001. On the other hand, most of FICCI's attention is on the upper-end of private higher education, which we can term "semi-elite." Indian organized business certainly has the global bug for its country to go further and build "world-class" universities. These would be more ample than the world-class institutes that already exist, and they would be private as well as public.

REGULATION

FICCI is at pains to make clear that business is not antiregulation. The real problems of low quality and fraud are legitimate targets for government rules. Regulations promoting transparency and helping students are welcome. Keen to protect and promote private higher education, business does not want to allow bad apples to spoil the status and legitimacy of that sector in Indian higher education, overall.

But the thrust of FICCI's position on government regulations is that they must be limited. The lamentable reality is a "plethora of regulators and

regulations.” The regulations undermine the autonomy needed for institutions to strike their own paths and govern themselves coherently. Private higher education is thus overregulated but undergoverned. Based on the basic critiques that business usually has about government regulation of the private sector, FICCI claims that regulation of inputs is excessive; for example, requirements to have computer laboratories often conflict with the reality that students use their own laptops. Input regulations slow private growth, innovation, and diversification.

Perhaps for political purposes, FICCI sometimes frames its complaints in terms of government hyperregulation of higher education overall, in India. However, owners of many private institutions feel government is hostile to the private sector and targeting it. A good example lies in the Unfair Practices bill before parliament. FICCI also looks to government to lift its regulatory restrictions on foreign providers (a bill tabled in 2007 still has not been passed) and on for-profit providers. Business sees both restrictions as undermining growth, private investment, and competition.