Though the contribution of higher education to development is quite significant, India, like many other developing countries could not pay adequate attention to it. In fact, there has been a strong tendency to neglect higher education and to focus, rather exclusively on elementary, more particularly primary education. While a major positive outcome of the Education For All conference at Jomtien was that elementary education received serious attention of the national government, culminating in the very recent past in the enactment of Right to Free and Compulsory Education (2009), it has, at the same time, produced an undesirable effect on other levels of education, particularly higher education. It was widely felt that elementary education goals could be reached only if the expansion of secondary and higher education is checked. As a result, either higher education was ignored in the policy planning exercises, or special measures were initiated to reduce the intensity of public efforts in higher education or both. Many public policy and plan documents, including Economic Surveys; annual budget speeches of the Finance Minister and debates and discussions on policy issues in education ignored higher education altogether, and got confined to literacy and primary education. Given the national or more particularly international commitment in case of elementary education, the government felt that there was no way of continuing to support secondary and higher education at the same level as it used to do earlier. To justify its stand, the Government of India (1997) declared that higher education was a ‘non-merit good’ that does not deserve to be financed by the State. It earlier stated, “the higher education system in the country is now sufficiently developed to meet the nation’s requirements. The unmet demand for higher education is not considered economically viable” (Government of India, 1994, p.75).

Another very important development of the early 1990s that had tremendous impact on higher education was the introduction of the neo-liberal economic policies that include stabilization and structural adjustment, which required a drastic cut in public expenditures across the board, including specifically higher education. In fact, these policies had set the tone for drastic reforms in higher education in India in the following years. On the whole, higher education has been subject to severe public neglect.

Allocations to higher education in the five year plans reached the all-time bottom levels during the 1990s. Hardly 7-8 per cent of the total plan expenditure on education was devoted to higher education, compared to nearly one-fourth in the 1970s. A drastic decline by about 20 per cent in per student expenditure was also recorded between
the early 1990 and the later part of the first decade of the century. There were steep cuts in budget allocations for libraries, laboratories, faculty improvement programmes, etc. Faculty recruitment in the universities and colleges was stopped for more than a decade. Further, during this period quality and more importantly equity got traded-off. Research budgets were slashed and steep cuts were also inflicted on the budgets for scholarships that have great potential for promoting equity as well as excellence in higher education, as a large proportion of scholarships are merit-cum-means scholarships, meant for weaker sections. Further, cost recovery measures in higher education have been seen as not only a solution to the problem of inadequate public finances, but also as a sound desirable method of financing higher education. Student fees have been continuously increased, and student loans replaced scholarships in policy discourses. Many other methods of augmenting non-governmental resources are being experimented with. The whole approach has been to reduce public funding of higher education. As a result, even when the economy was growing at above 7-8 per cent rate of growth, no sizeable increase could be noted in allocation of public resources to education. The underlying assumption seemed to be that higher education was not important for social and economic development and reducing poverty and inequalities.

While primary education gives the basic three r’s, rarely does it provide skills and knowledge necessary for employment – self employment or otherwise that can ensure decent wages and economic living. More over, most of the literacy and primary education programmes are also found to be not imparting literacy that is sustainable, so that children do not relapse into illiteracy. Secondly, primary education rarely serves as a terminal level of education. Thirdly, even if primary education imparts some valuable attributes, in terms of attitudes and skills and if primary education is able to take the people from below the poverty line to above the poverty line, it is possible that this could be just above the poverty line, but not much above; and more importantly the danger of their falling below poverty line at any time could be high. On the other hand, it is higher education that consolidates the gains received from school education; it is higher education that provides skills that could be useful in the labour market; higher education helps in innovating technology and in sustaining growth; it is higher education that can keep the people above poverty line without a danger of their falling back into poverty trap educational poverty or income poverty; and in fact, it is higher education that can take people to much above poverty line, by increasing the social, occupational and economic status of the households. In all, it is higher education that might form a very important ‘human capability’ and ‘human freedom’ that Amartya Sen (1999) champions, a freedom that helps in attaining other ‘freedoms’.

Somewhat robust research evidence also exists to show that higher education in India does contribute to development; it has poverty-alleviating effects as well. It enhances earnings of the individuals and thereby contributes to economic development; it makes a significant contribution to reduction in absolute as well as relative poverty and inequalities; and it also contributes to improvement in human development indicators, such as infant mortality and life expectancy (see e.g., Tilak, 2007).

Partly in response to such research, there has been a sudden significant change in the approach of the Government of India to higher education in the most recent years. Probably it has been realised that the government that aims at transformation of the developing economy into an East Asian tiger-like economy, could ill afford to ignore higher education; economic miracles cannot be created without higher education; and that a ‘knowledge society’ cannot be built and a revolution in information technology cannot be achieved without
strengthening the higher education system. Perhaps it is also noted that the success of the globalisation policies, and sustenance of the reasonably high rates of economic growth of 7-9 per cent per annum, experienced in the recent past would require a strong and well-spread higher education system. Further, to realise the stated objective of inclusive growth, the need for expansion of higher education has also been felt.

Accordingly it was stated that the enrolment ratio in higher education has to be raised to at least 15 per cent by 2012 from around 10 per cent in the middle of the last decade, and to raise it further to about 30 per cent in about a decade. In 2007-08 the gross enrolment ratio in higher education was 12.6 per cent. International evidence shows that all advanced countries are those that have universalised secondary education long ago and have provided a fair degree of access to higher education, the gross enrolment ratio ranging between 40 and 90 per cent. A 30-40 per cent enrolment ratio in higher education seems to be the critical threshold level for a country like India to become an economically advanced nation.

Accordingly, in the eleventh five year plan (2007-12), which is often described as an educational plan, allocation to higher education has been scaled up by several times; and major expansion has been planned. As many as 30 new central universities were planned to be set up, of which fifteen have already been set up during the eleventh plan. At the commencement of the plan, hardly 20 such universities existed. Plans for expansion also include setting up of six new Indian Institutes of Management, seven Indian Institutes of Technology, 20 National Institutes of Technology, four Indian Institutes of Information Technology, nearly 2000 colleges of engineering and technology, 1300 polytechnics and 400 undergraduate colleges. The government has also started thinking about setting up world-class or ‘innovation’ universities. The scope of the existing policies of affirmative action has been expanded to include larger sections of lower strata of the society.

In addition, quite a few reforms are being attempted through the introduction of new legislative measures for the improved governance of the system, for the improvement of accreditation mechanisms, and for setting up of grievance and redressal mechanisms in higher education. A bill for allowing the entry of foreign universities is also pending in the national Parliament. Recruitment of faculty, which was banned for nearly a decade and a half in several states, began to take place again. The University Grants Commission (UGC) formulated a few new scholarship schemes to promote research in general and to improve the access of the weaker sections in particular. The student loan scheme that was restructured in the early 1990s has been reformed further with liberal conditions and subsidies on interest payments for the students belonging to lower social strata. The UGC also initiated measures to provide special funds to second-tier and third-tier institutions to improve their infrastructure.

However, a couple of emerging policies and strategies have become a matter of serious concern of many. Today there are as many as 544 universities, including a few university level institutions, and 31 thousand colleges, compared to about 250 universities and 10 thousand colleges at the beginning of the century. The students number nearly 14 million. Much of the expansion is due to increase in the number of private institutions. Today there are 73 private universities, and nearly another one hundred private ‘institutions deemed to be universities’, both compared to almost nil about a decade ago. Presently about two-thirds of the number of colleges are private colleges. The unbridled expansion of private sector has raised concerns about quality of higher education, equitable access to higher education, corruption and ethics and even on the emerging nature of higher education and its public good characters. The unfair methods adopted by the private institutions and
their ill effects required the government to initiate legislative measures in the form of Bills to prevent unfair and corrupt practices in private institutions and for proper regulation of these institutions, which are pending in the Parliament. But at the same time, quite paradoxically, government aims at realising the promised expansion of higher education with the active involvement of private sector and through various modes of public-private partnership. These strategies seem to be conflicting with the goals of inclusive growth in higher education.

Similarly the government wants to expand higher education system – in terms of quality, by allowing the entry of foreign universities into the country and even to make economic gains with export and import of higher education in the framework of the General Agreement on Trade in Services (GATS). In fact, some of the recent initiatives like the legislative measures adopted by the government seem to help in smoothening the process of final formal commitment of higher education to the World Trade Organisation and the GATS.

While some of the measures initiated in the recent past are in the right direction, many are not. On the whole, the recent initiatives in policy reforms mark a transition in the history of higher education in independent India – from a system embedded in the welfare statism to a system based on market philosophy. Further the absence of a clear, coherent, explicit long term policy perspective on higher education continues to be the hallmark of Indian higher education.

**Biographic Sketch**

**Pr Jandhyala B. G. Tilak**

Doctorate from the Delhi School of Economics, Jandhyala B. G. Tilak is currently Professor at the National University of Educational Planning and Administration, New Delhi (India). He had taught in the Indian Institute of Education and the University of Delhi, and as a Visiting Professor in the University of Virginia, Hiroshima University, and the Sri Sathya Sai Institute of Higher Learning. An economist of education, Tilak was also on the research staff of the World Bank, Washington D.C. Editor of the *Journal of Educational Planning and Administration*, Dr Tilak is on the editorial board of several professional journals in education and development studies. He is the recipient of Swami Pranavananda Saraswati national award of the UGC for outstanding research in education, and Dr Malcolm Adiseshiah award for distinguished contributions to development studies. Dr Tilak is also a member of several official committees on education constituted by the Government of India.

Contact Address:
National Institute of Educational Planning and Administration, 17-B Sri Aurobindo Marg, New Delhi 110016, India [tilak@nuepa.org].

**References and Further Reading**

- **Government of India (1994)**
- **Government of India (1997)**
- **Government of India (2011)**
- **Sen, Amartya (1999)**
- **Tilak, J. B. G. (2003)**
- **Tilak, J. B. G. (2007)**
- **Tilak, J. B. G. (2008)**
- **Tilak, J. B. G. (2010)**
  Policy Crisis in Higher Education: Reform or Deform? Social Scientist 38 (9-12) (Sept-Dec): 61-90.