Financing and Quality of Higher Education in India

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Abstract

In Indian higher education, six key issues deserve careful attention: its mission, quality, funding, research, philanthropy, and balance. Foremost mission of colleges and universities is to teach their students well to impart to them values, imagination, knowledge, and skills that prepare them to achieve their full potential as individuals and members of society. High quality education calls for the universities to attract the very best people to careers of teaching and scholarship. Quality higher education is too costly to be financed by students and their families and must be subsidized substantially by government taxation and philanthropy. Excessive emphasis on the use of research publications for faculty credentialing and evaluation in universities generates much waste and requires rethinking to generate more genuine innovations and solutions. Attracting profit-motivated investment capital to higher education deceives students and society by delivering poor quality. Instead of focusing on a handful of cashable professional degrees, a balanced menu of disciplines is needed to prepare an educated and enlightened citizenry and to build a prosperous society.

Keywords: Indian higher education, Financing, Quality, Philanthropy, Research, Balance

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1 Mission

The first social responsibility of a university, independent of how it is financed, is to teach students: to inspire their imagination and creativity, to impart knowledge of the world and their role in it, and to augment analytical, social and physical skills, so that each student develops a love of learning and the ability to realize their potential and live personally and socially fulfilling lives. By achieving these basic goals, a university meets its educational mission and serves the society at large.

Teaching, and teaching well, is the greatest, irreplaceable contribution a university makes to its supporting society. Nothing is more important than shaping and informing young minds, and no other societal arrangement serves this function for a significant fraction of population more effectively. Like a plant and the soil in which it is planted, a university grows in and draws its sustenance—talent and financing—from society and returns the favor in the form of an educated and capable citizenry and new learning to enrich the future. Imparting good education to young adults is also what most people expect of a university; when a university’s priorities shift from imparting education to providing employment for teachers and staff, the institution gets mired in bureaucratic irrelevance.

A university exists primarily to foster a conducive learning environment and to impart knowledge through high-quality instruction; it is not meant to be a profit center for business entrepreneurs, nor an employment agency for political favorites. To serve its proper functions, a university needs to have a very different structure and governance; neither the profit orientation of business organizations nor rule-based hierarchy of civil service works well for universities. Society can gain a great deal if the institutional capacity of a university is matched with what the stakeholders—people, legislatures, civil service, courts, and teachers—expect from them. Courts, too, must appreciate that institutions of learning and innovation call for a special, finely-balanced form of governance and managerial discretion that are not supportable by the laws and rules designed to govern employees in a factory or an office.

2 Funding

Since the benefits of education accrue in the form of both private as well as public goods, it is rare to find a university that delivers quality higher education without large and significant financial subsidies. The government’s allocation of tax revenues and philanthropic donations to higher education are subsidies that enable universities to deliver on what is expected of them. The idea that quality education can be financed entirely, or mostly, from tuition fees paid by students and their families has not yet been shown to work in any part of the world.

Student loans taken to finance higher education create serious inequities in university access for the less privileged and distort the flow of young talent towards learning that is more readily monetized as private value, pushing social values into the background. It is hardly surprising that the massive expansion of higher education in India during the recent decades financed by private capital looking for profits has largely gone to engineering, management, and computer applications. These degrees are championed by profiteers and deliver little learning to their poorly educated students.
3 Quality

The most important determinant of education quality is instructor aptitude. A professor’s thirst for knowledge, ability to inspire, fostering of imagination, and imparting of values, interest, and enthusiasm enrich the learning experience and influence students’ lives. The excellence of a university depends on its ability to attract top tier talent to teach and inspire the next generation. This pool of top talent actualizes the university’s mission and its capacity to teach and perform important research. Although students make a useful contribution to teaching assessment, most such evaluation must be performed by peers – other dedicated teaching colleagues. Research publications, often used as a barometer of faculty accomplishment for their advancement, can easily turn into a meaningless pursuit of journal publications and conference delivery.

Unfortunately, I believe India has yet to develop an effective mechanism to identify highly talented youth and attract them to work in universities. Furthermore, neither the for-profit nor the civil service model of governance creates a quality university; yet, India has not developed on its own a third alternative, nor learned to use the structures used in renowned universities of the world.

We have only limited understanding of how we learn, and education is one of the few industries that has exhibited little gain in productivity over the past century. We can only hope that teaching and learning in the Covid-19 pandemic may leave in its wake a better understanding of the learning process, and better methods and constructs of organization that we as educators can learn from.

4 Research

I confine my remarks to the social sciences and humanities (excluding science, engineering, and medicine) to remain within the scope of my discipline. From my experience at the universities where I have had the privilege to work, I believe that the excessive emphasis on faculty research has rendered the university system dysfunctional. Since it takes a long time—multiple decades or more—to identify good research, most universities use a shortcut and depend on publications in peer-reviewed journals as a metric of evaluation. Most of this publications-driven “research” adds relatively little knowledge or understanding to pressing societal issues, and rarely develops solutions. “Publishing” distracts faculty attention from the primary function of delivering high quality education.

Moreover, excessive emphasis on research which does not serve a larger intellectual or social purpose other than credentialing of the faculty themselves, adds significantly to the cost of university education. While the university faculty may continue to do research in these fields to engineer solutions to problems of society and to sharpen and advance their own knowledge, excessive emphasis on publications serves little purpose in society.
India has her own millenniums-long established tradition of philanthropic support for education. Unfortunately, in recent decades, a new mindset and government policies have entered the higher education arena, based on the assumption that, somehow, for-profit higher education is a workable approach to India’s long-delayed efforts to meet the challenge of educating her youth. These policies divert the efforts of wealthy members of society who had historically used their fortunes to support education. Instead of viewing their charitable contributions as investments in the future of the society that enabled them to earn their fortunes, the new policies encourage them to think of education as yet another “industry” in which they could generate high private returns on investment.

This wholesale abandonment of philanthropy in favor of earning high private profits has led to the opening of diploma mills under the guise of colleges and universities in all parts of India. Many of these institutions have sparkling campuses, built on land acquired from government on concessional terms, few qualified teachers, and charge high fees in exchange for often worthless printed degrees from their exploited students who learn little in the process. These universities enrich their owner-promoters through the sale of degrees under the pretense of education. Since a surprisingly large number of these institutions are owned by powerful politicians—ministers, members of parliament and legislatures, even a president of the republic, or their spouses—there is scant hope that this destructive state of affairs will be reformed anytime soon. The new National Education Policy announced in summer of 2020 hardly mentions this endemic problem.

In India, financial entrepreneurs attracted to make a quick profit in education have displaced philanthropists and muddied the waters for those with well-intentioned charitable gifts to give. These educational leeches (as well as many supporting chambers of commerce and enabling public policies) are based on a simple but fundamental perversion of the meaning of “private” in higher education.

Scores of universities and colleges established by philanthropists in the United States (US) rose to prominence in the world of education during the 20th century, attracting talented students and teachers from all parts of the globe. These universities are labeled “private” because they are subsidized by private charity, receiving only a small fraction of the costs of running them from government. Most such “private” universities in the US collect between only 10-30% of their expenses from student fees. In India, profit-seekers use this confusion about the meaning of “private” in higher education to earn private fortunes.

Philanthropy (which makes many private universities in the US the envy of the world) is missing in the profit-seeking university imitations in India. The American private university model is misunderstood and incorrectly imitated; not surprisingly, in India it fails to replicate the same quality and success. Their students are charged more than 100% of university expenses to generate profits for the private university promoters. Given the fundamental economics and high cost of providing quality higher education, these Indian universities sell largely worthless
degrees to the poor and middle class, while the promotors prefer to send their children abroad to get their education.

In the United States, most of the philanthropic contributions to universities come from individuals, especially their alumni. While the wealthy donate large sums of money for new buildings, colleges, endowed professorships, and programs, most alumni make at least a small annual contribution to their alma mater as a norm of social obligation. Individuals are free to contribute at will, and private philanthropy works best when coming from individuals, rather than business corporations.

Contributions from public corporations must be justified and approved by their boards as prudent business decisions that serve corporate interests. For this reason, corporate contributions tend to be linked to universities’ applied research whose results yield profitable products and services to the corporation. While all contributors—whether legislatures, corporations, or individuals—try to attach strings to their money, the university must decide which strings are, or are not, acceptable considering its values, mission, and needs. Wise university administrators refrain from chasing after all offers of money without a clear sense of university values and mission.

6 Balance

Just as good health requires a balanced diet and living style, higher education in a country of India’s size must also be balanced. While individual students and universities specialize to varying extents, society must balance the resources devoted to, and opportunities available in, hundreds of fields of knowledge, skills, and scholarship. In recent decades, India has seen an explosive and unbalanced expansion of education, especially in three fields: business management (my own field), computer applications, and engineering.

Setting aside the troublesome questions about education quality, financial entrepreneurs have lured many students to programs in these “professional” fields with promise of employment and monetized their investment by charging high fees. Such professional fields are the dessert of higher education—rosogollas if you will. Desserts have their place in a balanced diet, but excessive indulgence can cause malnutrition, diabetes, and demise. The staple of education in a society—dal-roti-rice so to speak—consists of learning mathematics, the sciences, languages, history, economics, psychology, and scores of liberal arts disciplines that receive little attention in the menu of expanding higher education driven in India by self-serving profiteers. Education in these essential subjects must be supported by government or philanthropic subsidies; relying on profit-motivated entrepreneurs does not promise a healthy future and balanced higher education in India.

7 In Summary
To summarize, quality higher education is expensive, and needs large subsidies from the wealthy of society as well as the government. Quality education also calls for good governance. Of the two prevailing models of governance in India, neither profit-orientation in business, nor hierarchy-orientation in government civil service works well in education. Quality education is inherently unprofitable as a business and must be subsidized. University administrators must govern public-good producing organizations full of teachers who are more knowledgeable than they in their respective disciplines. With little attention given to alternatives, attempts to impose the business and civil service models of governance in higher education only force a square peg in a round hole, damaging both.

Finally, and most importantly, quality higher education demands that a significant part of society’s top talent from each years’ class be attracted to universities and become teachers and scholars. It is not that among the crop of India’s 25 million newborns each year there are no Einstein’s. Where are they? Are they selling soap, or imagining what has not yet been imagined? India’s future depends on the answer.

References