

Public Private Partnership in Higher Education – Lessons from Best Global Practices

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Abstract

Higher education policy is in a state of limbo after the Kothari Commission (1966) and the Education Policy (1992) with India showing low level of Human Development Index (HDI) compared to developed countries. Due to private sector initiatives in the field of technical education, India has achieved significant growth in Gross Enrolment Ratio (GER) from 10% (2000) to around 17% (2013) and seeks to increase it to 25% by 2020. However significant deficit in quality in our universities, both state and private, compared to global standards have remained a perennial source of concern depriving us of the demographic dividend that can reap. While economic infrastructure has witnessed significant growth, the social infrastructure like education remain mired in policy prevarication, inadequate public allocation and poor quality. The paper argues that government handholding in terms of significant increase in higher allocation, greater momentum to Research and Innovation, and fostering public private partnership based on credible models of countries like Germany and Switzerland would go a long way in improving quality, employability through knowledge arbitrage. The Make-in-India campaign, smart cities and potential demographic dividend would critically hinge on implementing best global practices.

Keywords

HDI, GER, Make-in-India, Smart Cities, Demographic Dividend

I. Introduction

Right to Primary Education for children from the age of 6-14 has been a watershed moment in India's legislative history resolve to foster social, economic inclusiveness by converting a non justiceable ideal to an entitlement. This has spurred significant growth in enrolment while the quality of education remains a concern area. Concomitantly higher education has also suffered in terms of inculcation of skills, global employability and in the kind of backlash recently witnessed in the context of UPSC examination. One of the significant reasons for low quality higher education in general and technical education in particular is the lack of industry orientation in the curriculum of colleges and university education. In USA which has witnessed significant industry academia collaboration has rightly highlighted the importance of research, public private partnership and adequate funding to education.

II. Objective of The Study

- Trend in the Growth Gross Enrolment Ratio and Fund Allocation
- Concerns areas in Quality Improvement in Higher Education
- Credible Models of Public Private Partnership (PPP)
- Lessons from Best Global Practices

III. Trend in The Growth Gross Enrolment Ratio and Fund Allocation

The break-up of number of universities in the country on the basis of type of university is shown below. There are a total of 621 universities (as of 2010-11) across the country, with state public universities constituting the highest share (45.2%).

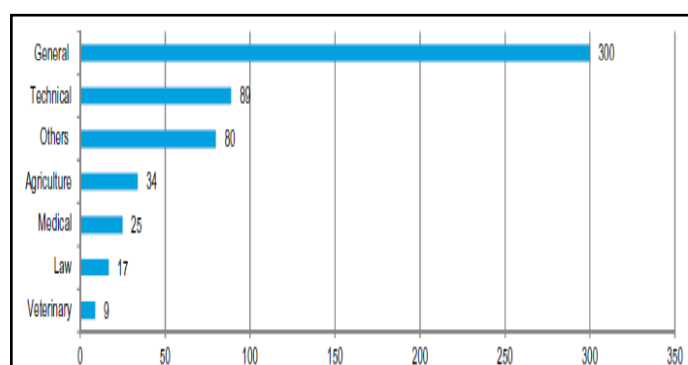


Fig. 1: Universities by Type - India

Source: Annual Status of Higher Education in States and UTs in India-13-ASHE-13- Deloitte

Student Enrolment

Total enrolment of students in regular mode in higher education institutes in India is around 241.8 lakhs, with 55.7% male and 44.2% female enrolments. With a huge population base (highest share of 18-23 population in India, 16.9%), Uttar Pradesh ranked first in terms of enrolment (37.7 lakhs, 15.6%); followed by Maharashtra (32.2 lakhs, 13.4%), Andhra Pradesh (23.7 lakhs, 9.8%), Tamil Nadu (18 lakhs, 7.4%) and Karnataka (16.1 lakhs, 6.6%). The three southern states of Andhra Pradesh, Tamil Nadu and Karnataka accounted for approximately one-third (33.8%) of the total enrolments across India.

By Level: The Enrolment through Regular Mode at various levels is 2.4 crores in India. Break-up across various levels and split by gender is given in the figure / table below. As can be inferred, the highest share of enrolment (82.9%) is at under-graduate level, followed by post-graduate (8.7%) and Diploma (7.0%), with all other levels forming only 1.4%. As can be seen from table above, maximum enrolment share (39.2%) is in government colleges in the country.



Fig. 2 : Enrolment through Regular Mode at Various Levels - India

Source: Annual Status of Higher Education in States and UTs in India-13-ASHE-13- Deloitte

By Stream: The total enrolment at under graduate level for the top ten streams (in terms of enrolment) is presented in the figure below. Arts/Humanities/Social Sciences tops the list with 40.3% enrolment, followed by Engineering & Technology (13.7%). It is interesting to note that female share of enrolment (48.0%, as a % of total female enrolment) in arts/humanities/social sciences is higher than the male share (34.8%, as a % of total male enrolment) while the male share of enrolment (16.6%) in engineering & technology is much higher than the female share of enrolment (9.5%). Marine Sciences/Oceanography courses had the least enrolment (77 seats).

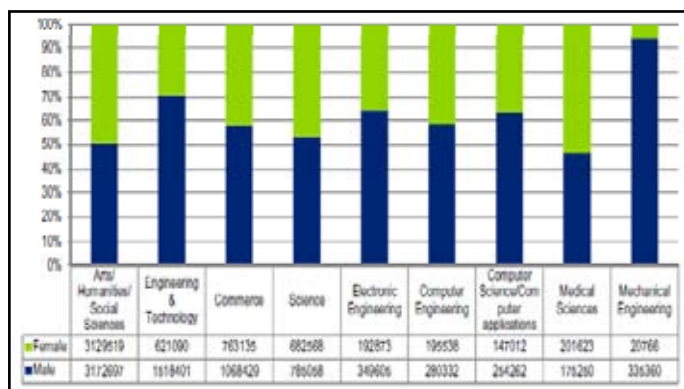


Fig. 3 : Enrolment at Under Graduate Level, by Top Ten Students - India

Source: Annual Status of Higher Education in States and UTs in India-13-ASHE-13- Deloitte

The GER for males (20.8) is higher than GER for females (17.9), resulting in the Gender Parity Index (GPI) of 0.86. In terms of overall GER, Chandigarh ranks first (41.4) with highest male (42.2) and female (40.4) GER as well.

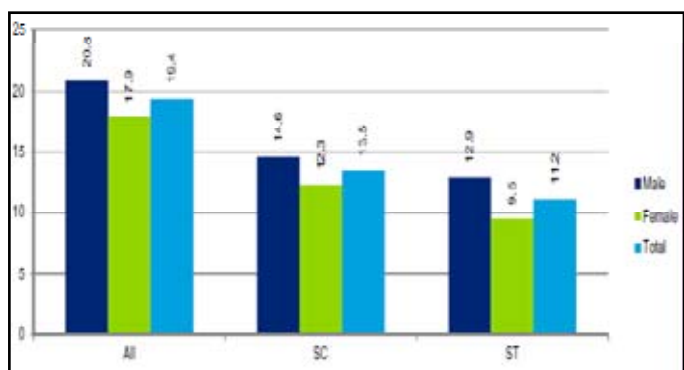


Fig. 4: GER for ALL, SC & ST - India

Source: Annual Status of Higher Education in States and UTs in India-13-ASHE-13- Deloitte

Trends in Allocation:

The following table brings out the allocation to primary, secondary and higher education over the last two years and the allocation made in this years' budget.

Table 1 : Allocation to Education (Rs. Crore)

Type of Education	2013-2014	2014-2015 (BE)	2014-2015 (RE)	% Change	2015-2016 (BE)	% Change
Primary Education	36803	39665	41505	12.8	36829	-11.3
Secondary Education	10053	5450	5300	-47.3	5390	1.7
Higher Education	24465	27656	23700	-3.1	26855	13.3
Total	71321	72771	70505	-1.1	69074	-2.0

Source: India Budget: 2015-2016, MHRD

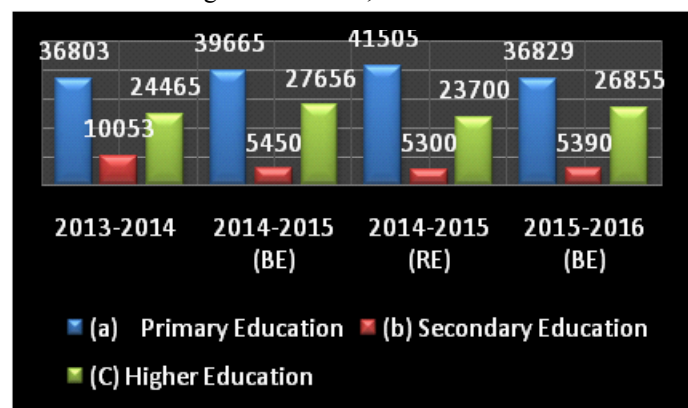


Fig. 5: Allocation to Education

It would be seen from the above that

- There has been a marginal drop in the overall allocation this year compared to 2014-2015 (Revised Estimates (RE))
- There is a significant decline (50%) is in the allocation towards secondary education for the last two years compared to 2013-2014
- There are persistent surrenders at the RE stage compared to the initial allocation at (Budget Estimates (BE)) stage.

Such trends are disquieting largely because the share of education has remained sticky around 3% of GDP; a sort of Hindu Rate as against 6% promised by the HRD minister during August 2014 and recommendation of Kothari Commission (1966); Knowledge Commission (2009). Also inadequate allocation to secondary education which provides employment to semi formal sector and a gateway to higher education is indeed a distressing trend.

IV. Concerns Areas in Quality Improvement in Higher Education

Despite the significant numerical increase in college enrolment through private sector interventions since 2001, the quality of research, patents granted and highly cited articles remain very poor compared to the global standards as the following tables will bring out.

Table 2 : Quality Concerns

Country	Quality of Research Institutions	Industry Collaboration	PCT Patents Granted/ (Million)
USA	5.8	5.6	137.9
Brazil	4.1	4.1	2.8
South Korea	4.9	4.7	161.1
China	4.2	4.4	6.5
India	4.4	3.8	1.2

Table 3 : Education Sector: Publication Trends

Year	India		China		USA	
	Publication	Highly Cited Article	Publication	Highly Cited Article	Publication	Highly Cited Article
2001	15522	103	25730	174	150817	2894
2011	36456	191	122672	980	184253	3137

Source: YuXie Chunni Zhang et al at National Academy of Sciences, 2014

It ought to be mentioned that in India emphasis is laid either on quantity or equity (UGC) or quality (IITs, IIMS) but not all the three concurrently. And we end up with a scalene; a triangle of three unequal sides.

V. Credible Models of Public Private Partnership (PPP)

Infrastructure has been highlighted as the thrust area for development and employment generation by the new government as it is the key link between the primary, secondary and tertiary sector. The Deepak Parekh Committee (2007) had recommended that infrastructure funding/GDP should be increased from 5% to 9% and PPP model is most suitable for fund generation. In economic infrastructure India has witnessed significant growth in civil aviation, power projects, container terminals through special purpose vehicle (SPV) and variability gap funding. Several key initiatives like setting up of India Infrastructure Finance Company 2006, India Infrastructure Project Development Fund 2008 and Infrastructure Debt Fund 2012 with equity of 2 billion dollar have been taken. The 12th plan has set up a target of spending nearly 1 trillion dollar with 50:50 public private partnerships.

For a country’s holistic development social sector infrastructure in areas like education, health and sanitation have to be built in tandem with economic infrastructure. Sadly in India PPP in social infrastructure is not getting the requisite attention of the planners as it deserves. As it would be seen from the table India performs very poorly in terms of HDI, Mean Years of Schooling, GER and overall quality. Accordingly it would worthwhile to draw experience of other countries like Sweden, Germany, Singapore & China where the PPP model has worked wonders. The key success factors have been agreement on shared objectives from the beginning of the partnership and political will for participation of the private sector, transparency and accountability within the PPP. Sweden has regarded higher education as a ‘merit good’ and has a long tradition of substantial public spending. It has substantive relationship with the private sector which includes sharing of roles, responsibility, risks and rewards. In Germany,

public commitment to take most risks has encouraged many small private enterprises to participate in the PPP model. Such models have important lessons for India.

VI. Lessons From Best Global Practices

A. Public Expenditure, HDI and GER

It may be recalled that Dr. Kothari (1964) had recommended that the government should spend atleast 6% of its Gross Domestic Product on education. However in over 45 years we have been able to achieve around half its target. The Knowledge Commission under Sam Pitroda (2009) additionally recommended an increase of atleast 1.5% of GDP for higher education. The recommendations of Vice Chancellors to allocate one percent of GDP to research is no where under implementation. It would, therefore, useful to look a comparative picture of allocation by developed countries and BRIC countries and the success they have achieved in terms of HDI, GER & MSY.

Table 4 : GER, HDI & public expenditure % on education

Country	GNI	HDI	GER	Mean Year of Schooling	Public Expenditure as % of GDP
USA	52308	0.914	95%	12.6	5.6
UK	35002	0.892	61%	12.3	5.6
Germany	43409	0.91	57%	12.9	5.1
Japan	36747	0.89	60%	11.3	5.6
France	36629	0.88	51%	11.1	3.8
Russia	22617	0.778	75%	11.7	5.9
Korea	30345	0.89	100%	11.8	4.1
China	4477	0.79	35%	7.5	3.7
India	5150	0.586	23%	4.4	3.3

Source: Human Development Report -2014

Colclough and Lewin (1993) in a seminal study have worked out a methodology for calculating investment requirement to finance universal primary education in India. Their study shows that around 3.1% of GDP needs to be allocated to universalize primary education as against around 1.5% earmarked by government.

B. Research and Development

The overall allocation to research and development in the country is less than 1% (0.9) while most of the developed countries spend around 3% of their GDP. The following table will bring out the comparative R&D spend of the developed countries compared to India

Table 5 : R&D Spenders in the World 2013

Country	GERD (PPP US\$ Billion)	R&D as % of GDP
US	423.7	2.66
Japan	161.8	3.48
Germany	91.1	2.85
South Korea	57.8	3.45
France	50.6	2.24
India	45.2	0.90

Note. *: Figures for 2013 are forecast; GERD: Gross Expenditure on R&D

Source: Battelle and R&D Magazine, 2013 Global R&D Funding Forecast, December 2012.

VII. Concluding Thoughts

India has made tremendous strides in terms of enrollment in higher education since independence cutting across gender, caste and religion. The private sector has contributed handsomely to improved access to higher education. However in terms of quality, research and innovation India has to take a few substantive policy initiatives to reap the benefit of demographic dividend after 2030 when India would be the main source for supply of skilled labour for developed countries.

While access to higher education has generated enough number of students to join the employment stream the poor base of our quality in terms of research and infrastructural facility particularly in the state universities has limited their employability to around 15% only. The private universities with reasonably good infrastructure suffer in terms of inadequate research output and good teaching. The course curriculum does not sub-serve the interest of the industry due to inadequate industry- research collaboration. Most of the premier US universities have significant industry support both in terms of research funding and grants. There is an increasing tendency in India to divest public responsibility in higher education to the private sector with its predominant concern for commercial exploitation. This trend must be eschewed early by promulgating a new education policy which is long overdue which puts a premium on collaboration with foreign universities, value quality research as an essential ingredient of college education.

Therefore the challenge is not merely to increase Gross Enrolment Ratio (GER) to 25% by 2017 as per the 12th plan but to salvage university education out its welter of mediocrity through effective public private partnership and foreign collaboration. John Maynard Keynes had rightly observed "Difficulty lies not in introducing new ideas but in replacing old ones". The Modi government with its zest for global partnership must abdicate old mindset in higher education.

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Author's Profile



Dr. Mona Lisa Bal graduated in Political Science with Honors from Calcutta University and her post-graduation from Utkal University. She is also a Post graduate in Business Administration from KiiT University. She did her Doctorate in "Effective Learning in a Joyful Environment" culminating into publication of a pioneering book "Transformation in the Pedagogy of Education in India" receiving wide encomiums. She heads the Early Childhood Association Chapter of Eastern India.

She intends to take her passion in primary education forward by making insightful foray into the Higher Education Sector where she has already contributed ten articles in internationally reputed educational journals like, IOSR, IJARSE, British Journal of Education & World Journal of Educational Research.

She is presently the Chairperson of KiiT International School and proactively engaged with KISS, a School for 23,000 tribal students. It is under her leadership that the School has achieved excellence and is ranked among the top ten Schools of India. Several international awards and MOUs with organizations for academic excellence have been inked under her guidance