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Dismantling of Planning Commission & Higher Education: A Perspective

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ABSTRACT:

The Planning Commission has played a pioneering role in fostering capacity building, Gross Enrolment Ratio (GER) and Human Development Index (HDI). The higher education sector has benefited handsomely from plan allocation which has supported world class institutions like IITs, IIMs, and programmes like Open Distance Learning (ODL) & ICT. Several committees in the recent past have strongly advocated for greater market orientation in this sector with a view to improving quality. The paper argues that market economics often does not take cognizance of the need for inclusivity. Most of these reports, primafacie, suffer from a utopian and elitist bias. It strongly recommends that development has to be dispersed and social philanthropy of private corporate sector through Corporate Social Responsibility (CSR) can play a stellar role in this regard. Abdication of a strong institutional framework like Planning Commission will require a strong developmental model which puts a premium on long terms planning, right prioritization and accountability in a Public Private Partnership (PPP) framework.

Keywords: GER, ODL, ICT, HDI, CSR, PPP

Introduction

Post independence, Jawaharlal Nehru, commenced a colossal beginning towards the development of a socialist pattern of society with a centralized Planning Commission. Kothari Commission has been the pioneer in higher education policy in India. In 1991, neo liberalism witnessed a paradigm shift in education policy with market enterprise and private sector playing a key role towards prosperity and development. A first step towards neoliberal policy agenda has been the introduction of private universities act1995. This followed by the Ambani-Birla report recommending entire removal of subsidize system and that categorizing higher education as a non merit good, this shift is impacted to neo liberal influence. The knowledge commissions Sam Pitroda report and lastly Narayan Murthys report of corporate higher education partnership further consolidates this inferences of upholding and extending neo liberal agendas in education. The planning commission in its 12th plan has flagged Equity, Access and Excellence as tripod of educational policy to foster inclusive growth and quality excellence to carve for India it's legitimate space in global knowledge domain. Recent decision of the government to wind up the firm structural arrangement of planning commission through which centrally sponsored schemes are allocated to states for their universities is understandably causing serious consternation among discerning observers.

The paper attempts to examine

- The role of Planning Commission in evolving the Policy Leitmotif of this country
- Recommendations of Commissions after Economic Liberalization
- The Road Ahead in the New Dispensation

THE ROLE OF PLANNING COMMISSION IN EVOLVING THE POLICY LEITMOTIF OF THIS COUNTRY

The Planning Commission has a hoary past with the first baby steps by Bose, Saha and Viswesarya in 1938. The Bombay Plan (1944), with leading industrialists as part of it, set a target of doubling India's agricultural output and industrial growth, fivefold, in a 15 year's timeframe. Though the Constitution put Economic Planning in the Concurrent list, Pandit Nehru flagged off this remarkable institution in March1950 through an Executive Resolution. Though he was the presiding deity, Mahalnobis was its architect and Roy-Harrod its intellectual progenitors.

The planning commission set the targets, etched the priorities, identified the resource gap and indicated the timeframe for achieving various targets and objectives. The 1960s witnessed substantial capacity build up in Heavy Capital Goods sector. The educational sector did not lag far behind. The elite educational institutions like the IITs, IIMs, BARC, ISRO, IISC, CSIR, ICAR, DSE, ISI, TIFR are testimony to the funding made by this central body to enable Indians to have their legitimate place in the global knowledge milieu. It would be worthwhile to mention that while 30% of the total central allocation gets earmarked for planning commission, the higher education has commanded around 60% of the budget for education from the Planning Commission. Table-1 below would reveal the details.

Besides, the planning commission has contributed significantly to Open Distance learning (ODL) & ICT. In recent years, RUSA & TEQIP, in collaboration with World Bank have also promised to make significant impact on technical and management education and in mainstreaming State Universities with quality inputs. Table-2 below provides details of allocation to major programmes like RUSA, TEQIP and Financial Aid Schemes

Table-1: Overview of Plan & Non Plan Allocation: Higher Education (Rs. Crore)

Agency	2012-2013			2013-2014			2014-2015		
Major Programme	**Plan**	**Non-Plan**	**Total**	**Plan**	**Non-Plan**	**Total**	**Plan**	**Non-Plan**	**Total**
1. UGC	4990	4686	9677	5147 (4720)	5066 (4808)	10213 (9528)	3520	5457	8977
2. IGNOU	105.2	52	157	100 (73.5)	1 (0.3)	101 (73.8)	112.5	1	113.5
3. ICT	191.8	-	191.8	339 (106.2)	-	339.9 (106.3)	180	-	180
4. Technical Education	5390	2582	8513	65181 (5636)	2872 (2805)	9390 (8441)	6385	3078	9463
Plan Outlay									
(a) General	6800	-	6800	8115 (7642)	-	8115 (7642)	7059	-	7059
(b) Technical	5910	-	5910	6518 (5635)	-	6518 (5635)	6385	-	6385
(c) NE Areas	-	-	-	1576 (1424)	-	1576 (1424)	1255	-	1255
5. Total Budget Allocation	-	-	25275 (20423)	-	-	26750 (24485)	-	-	27656

Source: http://finmin.nic.in: India Budget
Figures in bracket shown actual utilization

Table-2: Allocation against Major Programmes

Programme	**2012-13 (Actual)**	**2013-14 (RE)**	**% of Change**	**2014-15 (BE)**	**% of Change**
RUSA	-	240	-	-	-
TEQIP	188.6	433	229.5	450	3.9
Technical Education Quality Improvement project of (EAP)	88.3	110	-	80	27.2
Consortium for Higher Education & Technical Resource (CHEERS)	-	-	-	202.5	-
Financial Aid	115.4	195.2	69.1	232.6	19.1
(a) Interest Subsidy	-	1722	-	2081	20
(b) Scholarship	115.4	230	99.3	248	7.8

Source: India Budget 2014-2015

STRATEGY FRAMEWORK OF 12TH PLAN

The 12th plan approach was a shift towards learner centric and learning outcome with an emphasis on quality of teaching and research. It also emphasized on availability, retention and recruitment of qualified faculties to meet the growing need of faculties and upgrade the skills of existing faculties and you built bridge between teaching and research with a linkage towards practical use in economy. Promote internationalization by encouraging faculties and institutions to engage with faculties and institutions around the world from areas ranging from teaching, learning to research. With the private sector accounting for 58.5% of enrolment, there is a greater emphasis to establish larger and higher quality in higher education whereas the not for profit driven institutions are unable to scale up enough to bridge the demand supply gap. There has been a serious concern regarding quality. And the widened gap between the skills acquired through education and the economic growth. Major emphasis is on improving the quality of average institutions. Emphasis for quality on general under graduate level must surpass the 3Rs to 4Cs to improve employability. At the same time professional education must go beyond technical skills and focus on a integrated curriculum with felicity of subjects and interesting and innovative pedagogical practices to improve its quality.

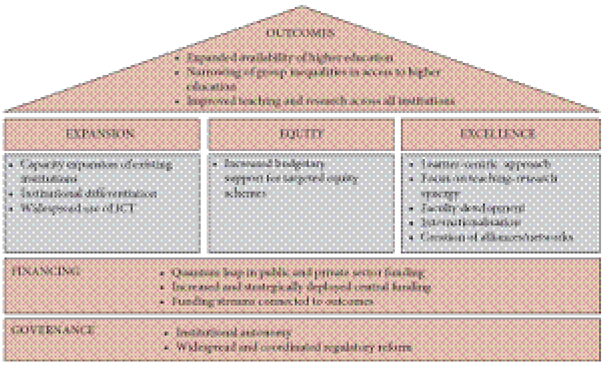

Figure-1: Strategy Framework of 12th Plan

Source: 12th Five Year Plan 2012-2017, Social Sectors Volume-III, Planning Commission, Government of India, Page 91

With the chronic issue of faculty shortages, where in central universities about 4o% of faculty positions lie vacant and the state universities suffer from lack of resources, infrastructural facilities low level interaction with industry and absenteeism of teachers has led to producing more and more unemployable graduates. Mindless expansion also has led to mediocrity. We must agree that outdated curriculum; shortage of teachers, inadequate resource, and low level of research is interconnected. Quality of teaching depends upon the teacher which again is connected to interdisciplinary learning within a knowledge economy which is again inextricably linked to nature, intensity and quality of research. Faculties are required to be well qualified to guide research through adequate support, incentives and recognition. A synergy between teaching and research is very much required.

Neglect of research has led to low research intensity, with low allocation of public funds, most of the universities end up as teaching institutes. Where as in china gross expenditure on research and development witnessed three times more than India. With the new science, technology and innovation policy announced by the then prime minister in January 2013 stipulates a doubling of gross expenditure on R and D from 1to 2% of GDP. Research must improve their teaching content and standards, both must go hand in hand. With the 12th plan contemplating multi pronged strategies towards quality improvement of universities is a gratifying factor.

RECOMMENDATIONS OF COMMISSIONS AFTER ECONOMIC LIBERALIZATION

Ambani Birla Report (2000)

Ambani-Birla envisioned the creation of a knowledge based economic and society, induce competitiveness yet foster cooperation. The report championed the principle of use pay policy supported by loan schemes and financial grants for economically backward section. Government should support and partially fund centres of higher learning, provide financial guarantee to student loan, ensure uniformity in content and quality and education development planning. While proposing to legislate private universities bill to encourage establishment of new private universities in the field of science and technology, management and finance area. The report also propounded foreign direct investment but limited to science and technology and research should start from the under graduate level with a independent rating agency for universities which is linked to funding. Moreover excessive regulations discourage private spending, encourage freedom in operation and flexibility to innovate, with the report emphasizing that the government should play the role of a facilitator.

Sam Pitroda Knowledge Commission (2009)

Some of the striking features of the Knowledge Commission are growth of private and foreign universities and reduced role of the state. The commission also recommends expansion of the number of universities to 1500 in the country. The assumption is based on the fact that there are about 350 universities with enrolment of 10 million students so four times increase in enrolment will need four times increase in number of universities. The commission also recommends the establishment of 50 national universities by government or by private sponsoring bodies to be set up by society or trust or section 25 companies. The commission preference seems to be of private universities. The commission also strongly put forward reduced role of the UGC and recommended the establishment of an independent regulatory authority for higher education as independent regulatory authority for higher education (IRAHE). The commission also recommended added 1.5% of GDP to higher education and that students fees should meet 20% of the total expenditure of the university. The commission further recommends autonomy for the universities to set student fee levels, and commercial use of university facilities, the government providing land and private sector finance to attract not for profit private investment.

Narayan Murthy Report (2012)

The areas identified by the Narayan Murthy report are quality deficiency, quantity mismatch and funding gaps. The NMR argues that many challenges faced by the government remain unsolved because of the scarcity of resources which is the biggest factor for alluring corporate sector to invest in higher education through direct ownership, collaboration through research, faculty development, infrastructure creation, student scholarship and governance. In 2011-2012, the planning commission draft notes that it has spent 1.22% of its GDP in higher education and it's interesting to note here that in recent year's house hold investment by the private sector is more than the government spending on higher education.

Recommendation by the report

- Autonomy in finance, regulatory, academic and administrative aspects.
- Resources ensuring availability of land, infrastructure and connectivity.
- Fiscal incentives to encourage investment and attracting funding.
- Enabling environment for free movement of faculty and students to promote collaboration with world class institutions abroad
- Freedom to accredit-with global accreditation agencies to put Indian institutions on par with the best.
- Access to funds-through scholarships to enable students
- Enhancing research focused-through dedicated funding for research sponsored doctoral programs, part time master's and Ph.D. program's.
- Setting up centre of excellences or in the form of technology parks
- Setting up new universities
- Developing new knowledge clusters.
- Up-gradation of 75 top of the class universities, with investment ranging from□175 to□200 crore per university
- Creation of the committee has recommended creation of 20 world class universities typical investment of □500crore per university and the third targeted outcome is the creation of 20 new national knowledge clusters through the public private partnership.
- The estimated investment for the 5 year plan is of□40000 crore with government corporate partnership.
- Creation of council for industry and higher education collaboration as a nodal agency.

PUBLIC ALLOCATION TO HIGHER EDUCATION

Dr. Kothari report 1966 had suggested investment of 6% of the nations GDP on education. Over the last 50 years we have achieved half its target. Sam Pitroda has suggested an additional 1.5% allocation to higher education over 1.12% being allocated now. While Knowledge Commission is proposing exclusivity, bolstering private player's involvement, cost recovery through tuition fee and foreign collaboration, UGC has been advocating expansion and equity. What India needs in this juncture is a plan to improve the quality of 500+ universities, 22000 colleges along with several fold increase in public spending. Private institutions now accounting for 58.5% of enrolment and the number of private universities at, the higher education system has traversed from a dominating public parasol to a hybridization of public private alliance. Private education in the country is offered by religious organizations, corporates, liquor barons, hoteliers, and the distribution is asymmetrical with growth concentration only in urban areas. GER in urban areas is 23.8% while in rural areas 7.5% Delhi GER is 31.8% whereas Assam is 8.3%. With rich and poor and urban and rural divide there is a glaring in access to education. With this if corporate work with profiteering as the motive then education as key factor in the economic development of the nation becomes a far dream.

The establishment of CIHEC as a nodal agency, to facilitate industry institute interface, with an objective of not for profit objective is a refreshing outcome of this commission. Though the role of the business houses will increase, but there is no assurance of the fact that new institutions will not end up as present self financing institutions. As most of the private institutions" adopt undesirable practices and they are illegally born to do legal activities and/or legally born to do illegal activities" and private interest do create research and academic problem. Usually self financed universities might suppress results for rank and ratings and placement therefore broader policy framework is required to curb its negative implications. The Narayan Murthy Committee has drawn caustic remarks from Pathak when he delectably observes “NMC presents blossomed trees whose saplings were planted by Ambani-Birla report and watered by Knowledge Commission”. Similarly Mathew and Dey observes that the NMC overlooks completely the concern of equity while pursuing the Utopians idea of excellence. Further it observes that the CIHEC model which is supposed to serve as a nodal agency for facilitating collaboration between industry and higher education, based on UK model, will only foster islands of excellence.

THE ROAD AHEAD IN THE NEW DISPENSATION

(a) Corporate Social Responsibility

The corporate social responsibility provision has been incorporated as Section 135 of Companies Act 2013 as per which the companies with annual turnover of Rs.1000crores and above are expected to contribute 2% of their net profit to CSR schemes. It would be worthwhile to mention that UK has been a pioneer in this regard where many of the retail companies are actively engaged in providing health care to about 9.8 million people.

While all the committees look for government support for land at very concessional rate and infrastructural support and recommend replication of the US model for privatization in higher education, none of the reports draw any reference to corporate philanthropy in US. Mathew brings out how close to 400 billion dollar has been contributed by around 59000 private grants by the private corporate sector which has seen growth of universities like Cornell and Chicago.

(b) PPP Model

For the PPP model to succeed there is a need for harmonious state corporate sector partnership, promotion of private sector philanthropy on lines of USA with strong handholding by government. It would be 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.

(c) Education for Profit

This debate has gone to the Supreme Court which has constantly castigated any tendency to commercialize education. Sudhansu Bhusan (2013) has brought out the dichotomy in judicial thinking and need for pragmatism in terms of charging of fees in colleges/universities to improve infrastructure and academic content. The 12th plan recommends that once a university assumes infrastructure status under Section 25 of Companies Act they can be taxed and such proceeds can be given as scholarship to deserving students. This model is adopted in Brazil & China with great success. However it must be mentioned that autonomy in charging fees is a double edged sword "either it will encourage excellence or lead to proliferation of substandard high cost education as many private universities are witnessing presently in India.

Concluding Thoughts

The planning commission has played a pioneering role in resource allocation to the education sector and several flagship programmes have made definitive contribution towards the initiatives of expansion in general and in quality in some measure. There is a suggestion that, the Ministry of Finance would be the nodal agency for allocation of both plan and non plan grants. Dr. Rangarajan (2014) is the view that finance commission should be the nodal agency for plan and non plan allocation. He has also strongly suggested the need for effective review mechanism & a holistic approach. Bibek Debroy apprehends that if MoF is made the nodal agency, it may stultify social sector allocation; thereby affecting our human development index even further.

Dr. Montek Singh Ahluwalia, who was till recently the Chairman Planning Commission, is of the view that the new Institution need not saddle itself with sectoral balances with a view to matching demand and supply in 200 subsectors. It should, on the other hand, be concerned with Indicative & long term planning, facilitate capacity building in non-traded sectors like roads, ports, urban infrastructure, and remove impediments on private sectors which contribute 75% to total investment. Besides India is in desperate need for capacity building in education health and rural infrastructure, where the development indicators are abysmally low. As Jeffery Sachs observes in the context of USA, **"Our greatest national illusion is that a healthy society can be organized around the mindless pursuit of wealth"**. The Planning Commission was set-up to ensure a healthy society through balanced economic growth. **The dismantling of this behemoth should not bid adieu to concerns of equity in our quest for mindless growth through crony capitalism.**

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