

# Indian Higher Education

## An Assessment of Needs and Gaps

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**Views are personal**

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# Structure

- **Enrolment gap**
- **Spending gap**
- **Skill gap**
- **Knowledge gap**
- **What is needed?**

# Enrolment Gap

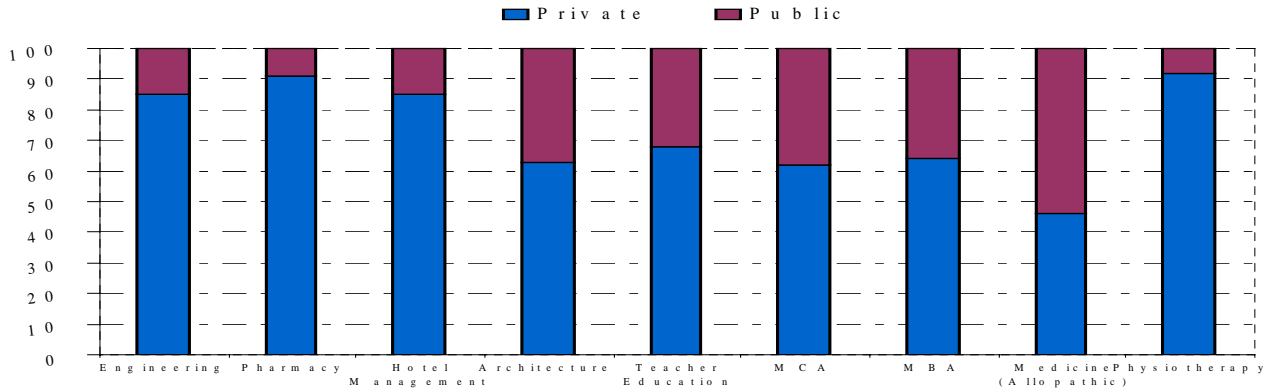
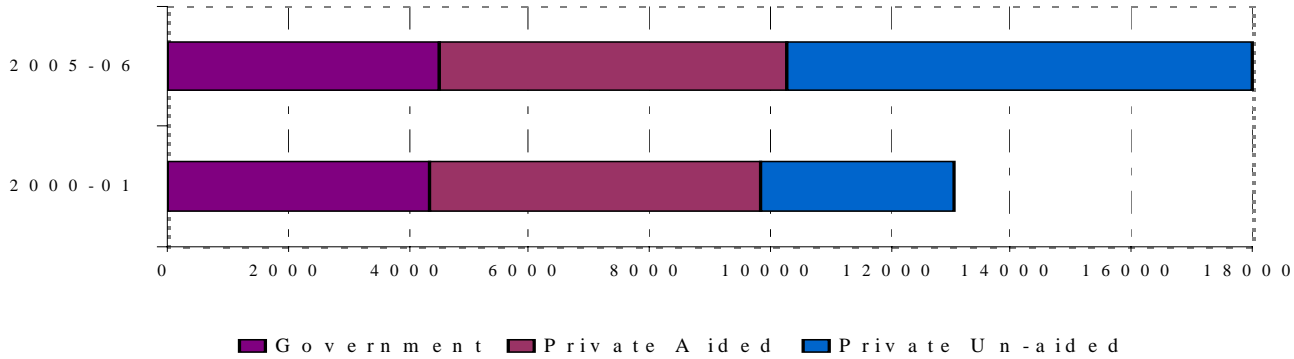
## Facts

- Low GER – 11.4%?
- Various kind of disparities and regional imbalances
- Target of 15% by 2011
- 6 million additional capacity needed in 4 years

## Questions?

- Do we go by our own needs?
- Do we have more of the same?
- Does economy has absorptive capacity?
- Is it achievable?
- What are past growth trends?
- Will the new efforts add up to number required

# Growth of Institutions: Public / Private Share



Source: Agarwal (2006)

# Public Spending Gap

## Facts

- Low current level - 0.63%
- Many advanced countries with GER have lower public spending and the most have substantial private spending
- Target – 1.5%
- Centre to substantially increase public funding

## Questions?

- Who pays and who benefits?
- At the cost which sector?
- What's the problem if people want to pay?
- What is the quantum of increase and where it comes from?
- How do we use proposed increase?

# Skill Gap

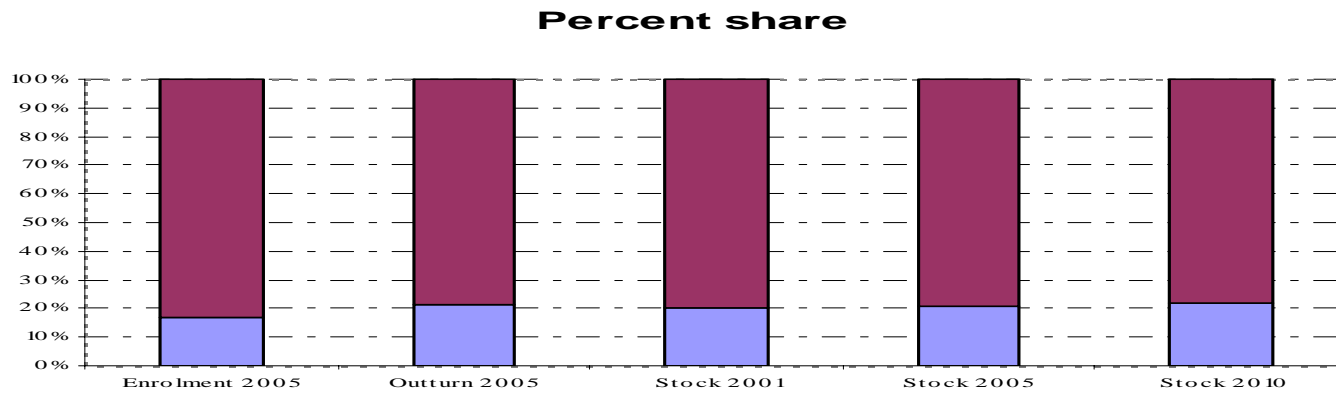
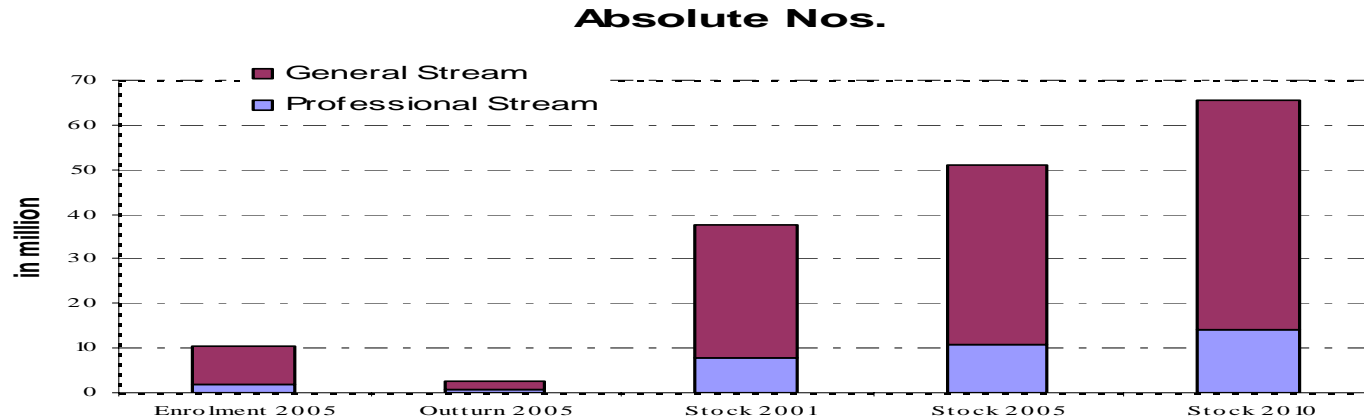
## Demand

- Predominantly agriculture economy
- Small organized sector
- Among the organized sector, private that is expanding has a small base
- Overall requirement of graduates is small
- High rate of unemployment of amongst the graduates
- Recent changes in economy have raised demand – new kind of skills; large appetite of some sectors / some companies

## Supply

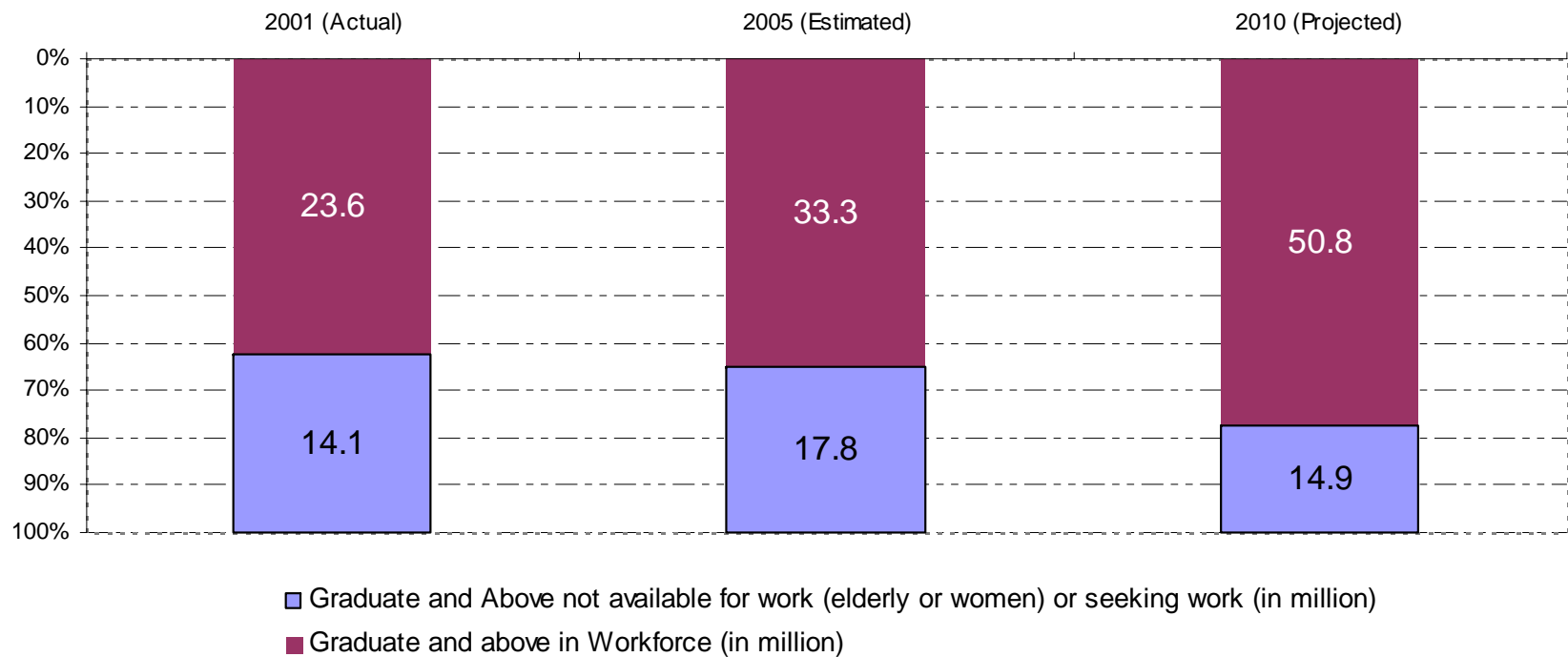
- System produces close to 3 million graduates each year
- Four-fifth are ordinary graduates with no employable skills
- Private and self-financing growth since 1980s - professional stream
- Uneven quality, tiny quality base
- Supplemented with Vocational education training (VET) - small, low quality, suffers from image problem, and no pathways to university education
- Growing private training sector (focus IT / non-engineering)

# Enrolment, Outturn and Stock

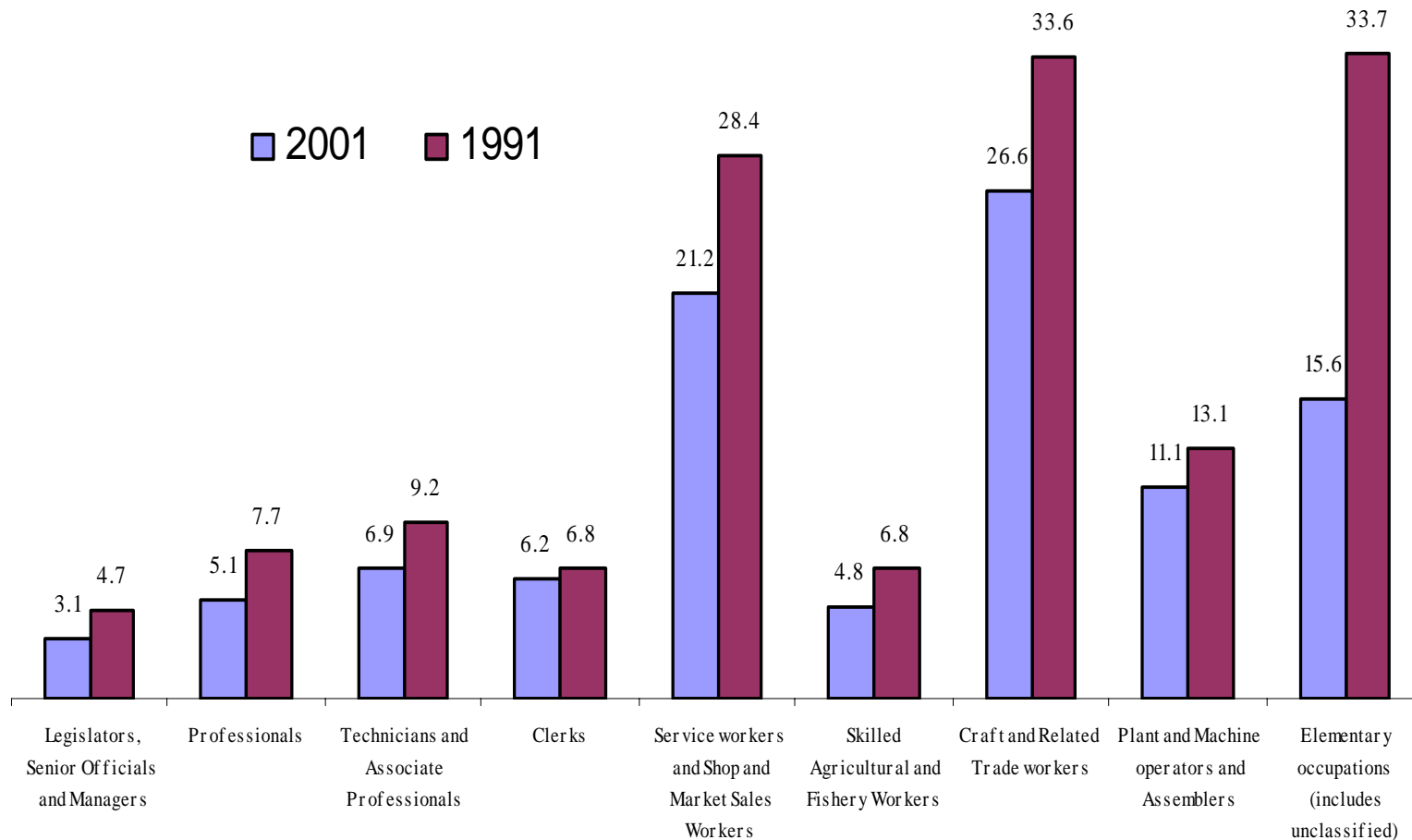


Source: Agarwal (2006)

# Going Deeper in the Graduate Pool for employment



# Main workers by occupation (in million)



Source: Census 2001 (NCO Data released October 2007)

# Skill Gap – main findings

- Overall numbers not an issue
- Relevance and quality main issue
- Current growth (mainly privates) takes care of relevance
- Quality deteriorates rapidly as one goes deeper into the graduate pool
- Publics – under-funded, lack of competition, no incentive to improve
- Privates – Dysfunctional regulation and accreditation

# Knowledge gap

	United States	China	India
<b>Patent – PCT applications</b>	45111	2452	<b>648</b>
<b>Publications in refereed journals</b>			
- Number of papers -Rank	1	9	<b>13</b>
- Number of Citations - Rank	1	18	<b>21</b>
- Citations per paper – Rank	1	121	<b>113</b>
<b>Growth Competitiveness Index Rank</b>	2	49	<b>50</b>
<b>Number of HEIs on Shanghai’s Top-500</b>	161	18	<b>3</b>

# Opportunity

- **Leverage on positive perception and three real facts**
  - Large young population
  - Large English knowing population
  - Large middle class
- **IT / ITES Sector – Export Oriented Off-shoring (0.85 m to increase to 1.7m in next 4 years)**
- **Multiplier effects – hotel, travel, and transport, catering, real estate, security, housekeeping etc. (1.15 m)**
- **Spill-over of IT boom to manufacturing and services – reinforced with large and increasing pool of management graduates**
- **Productivity gains across the board – small order behavioral changes, work culture, high consumption with easy availability of consumer loans**
- **Overseas employment - a brain bank**
- **Virtuous cycle of growth with real possibility of shift in employment structure – Farm to non-farm sector**
- **Let the opportunity not be lost in the bottleneck of availability of qualified people with required skills**

# What is needed?

- Increased capacity – enrolment expansion
- **Structural shift from ordinary to employable graduates**
- Enlarge the base of high quality institutions and raise the average quality level
- Direct engagement of end users with educational institutions
- Increased funding both public and private sources; and increased private participation
- **Public funds to leverage change, remove distortions in private funding**
- More government role but of a different kind
- **Pro-competitive regulatory framework (objective and implemented in a fair and transparent manner)**
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# Thank you

For queries, please contact

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