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Executive summary

The Indian higher education system has witnessed significant expansion in recent years, both in terms of the number of institutions as well as the student enrollment. India has more than 400 universities and over 20,000 colleges, of which almost half were set up in the last decade. Student enrollment has crossed 129 million in 2007-08, clocking a compounded annual growth rate of 6.2% since 1985-86. The private sector has enthusiastically participated in the growth of the higher education system with about 63% of the total higher education institutions being private unaided institutions.

Though these trends communicate a positive picture, the Indian higher education system ails from significant structural shortcomings and faces huge challenges in meeting future expectations. Despite having more higher education institutions than any other country in the world, hardly any feature in the leading institutions in the world. At about 12%, our GER is almost half of that of China, and lower than many developing countries. Inequity is also pervasive in the system, with the GERs of women and backward castes being much lower than the national average. From where it stands today, we have identified five areas critical to making the Indian Higher Education system future ready. We believe that financial innovation, innovative use of information and communication technologies (ICT), reinvigorating research, thrust on vocational education & training (VET), and regulatory reforms are potential 'Game changers' for the Indian higher education system.

Given this backdrop, we have identified certain challenges across these five areas and outlined specific recommendations to improve upon the gaps and strengthen the foundation of the Indian higher education system.

Game changers	Key challenges	Key recommendations
Financial Innovation	<ul style="list-style-type: none"> Very low per-capita spends on higher education, leading to significant paucity of funds for expansion and quality enhancement Inadequate exploration of alternate revenue streams by HEIs Poor coverage of scholarships and student loan schemes to support needy students and enable tuition fee rationalisation 	<ul style="list-style-type: none"> Encourage private sector investment in education through the development of innovative PPP models Introduce performance based funding by the Government Rationalise tuition fees structures and support the same with the creation of a strong education financing mechanism Build an enabling environment to generate alternate sources of revenue by HEIs
Innovative use of Information and Communication Technology	<ul style="list-style-type: none"> Lack of ICT infrastructure in HEIs and low technology/people readiness Poor quality of digital content, especially in regional languages 	<ul style="list-style-type: none"> Improve ICT infrastructure in HEIs through PPP models and incentivise adoption of ICT in pedagogy Develop mechanisms for development and free distribution of high quality content across languages Improve connectivity across HEIs and create a national repository of digital content
Reinvigorating Research	<ul style="list-style-type: none"> Poor standard of research across Indian higher education institutes Lack of qualified faculty, limited funding for research as well as poor linkages between academic institutions and industry/Government R&D labs 	<ul style="list-style-type: none"> Incentivise research in universities, while creating an enabling environment in terms of lesser teaching hours for researchers, greater budgets and access to better infrastructure Increase the number and quality of doctoral students through the launch of innovative programs, provision of attractive fellowships and enhanced industry collaboration
Thrust on Vocational Education and Training	<ul style="list-style-type: none"> Low penetration of VET due to limited relevance and poor outcomes Multiple regulatory bodies and lack of linkage of VET with the mainstream education system 	<ul style="list-style-type: none"> Improve oversight structure for VET, facilitating greater industry involvement and providing greater alignment with market needs Facilitate mobility between VET and mainstream education through a system of credit transfer Support private sector vocational education through accreditation and recognition mechanisms
Regulatory Framework	<ul style="list-style-type: none"> Multiplicity of regulators with overlapping roles Uneven entry barriers leading to a skewed development of the system Limited transparency, low autonomy and poor quality control systems 	<ul style="list-style-type: none"> Create a single independent agency for regulating higher education and simplify the regulatory framework Reduce entry barriers for reputed players, by facilitating entry of high-quality foreign universities and private universities through the PPP mode Improve transparency and disclosure in the system