

# Why universities need better budgetary support

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Every year, when the finance minister presents the Union Budget, there is great expectation that it will infuse substantial funding in higher education sector. Unfortunately, regardless of whichever party is in power, the sector has been the most neglected and least cared for. Today's India has an aspiration with regards to its universities. There have been path-breaking policy initiatives such as Institutions of Eminence, which can promote excellence in the sector. The government needs to look at universities from the standpoint of opportunities they can provide in building a knowledge society. There is a need for a budgetary vision that captures the reality of the state of Indian universities. Around the time when the Budget was presented a few weeks ago, the renowned Times Higher Education had released Asia University Rankings, which ranked the top 350 universities in Asia. China has witnessed a significant rise in the number of universities that found place in international rankings. Japan topped the Asian rankings with 82 universities, China had 63 universities on the list and India had 42 higher education institutions.

The need of the hour is a significant enhancement in government-led investment in higher education. Resources are needed in five areas.

\* **Building new universities with global standards:** India needs many more universities. While our current numbers have improved over the years—864 universities, 40,026 colleges, and 11,669 standalone institutions—we need to build new universities to cater to the growing aspirations of young

people. These universities have to be built keeping in mind international standards and global benchmarking mechanisms, so that excellence becomes central to their institutional vision and imagination from the very beginning. This requires significant investment that has to come from both the government and private sector.

\* **Providing government scholarships in public and private universities:** Access to education is critical. Most student scholarships provided by the government are applicable only in public higher education institutions. We need to rethink this aspect as the private sector comprises more than 70% of all higher education institutions and over 70% students study in private institutions. If this is the reality, it is important that government scholarships should not differentiate between government and private institutions. A suitable criteria regarding eligibility should be formulated, but made applicable for both public and private institutions. The private sector also needs to support students with scholarships so that affordability does not become a roadblock for them to pursue higher education.

\* **Improvement of infrastructure in universities: While student capacity** in our universities has increased over the years, the infrastructure has not matched the pace. The existing ecosystem in most of our universities is not inspiring, let alone conducive for learning. This requires a lot of resources and the money cannot come from operating budgets of universities. A cursory visit to any university or college, which is a few decades old, will leave us with a sad state of mind, looking at the dilapidated infrastructure. This is the case even at some of our elite institutions. The Budget's proposal called Revitalising of Infrastructure and Systems in Education (RISE) by 2022 with an investment of Rs 1 lakh crore over four years is welcome, but is woefully inadequate to support demand and requirements. It has to be at least five times more if this scheme has to marginally fulfil the aspirations to build a world-class higher education system in India.

\* **Identifying young scholars to pursue teaching and research:** The most important challenge with respect to the future of universities is our inability to attract the best people to seek job opportunities in higher education institutions. Mediocrity is institutionalised across the sector. We have to develop alternative imagination that will identify young talent across disciplines to consider becoming scholars and researchers. The Prime Minister's Research Fellows (PMRF) scheme proposed in the Budget is a step in the right direction, but is far too limited in its scope and ability to seek substantial change. The scheme, in its current form, will identify 1,000 best BTech students each year from premier institutions and provide them facilities to pursue PhD in IITs and IISc, with a substantial fellowship. I do not see any reason why this scheme should have limitations based on disciplines and institutions. Any scheme of this kind, to be effective, should be inclusive with regard to disciplines and ought to include humanities and social sciences. Given the broader faculty recruitment crisis and the effort to promote excellence in faculty hiring and retention across all higher education institutions, PMRF must have at least 10,000 students across disciplines, who will become young faculty members. The current proposal is timid and lacks the vision to have a meaningful impact in the larger landscape of higher education.

\* **Block grants to be provided to all universities to promote research:** We have to amend the existing framework that discriminates private higher education institutions in most aspects of government funding. There should not be any difference between public and private sectors when it comes to research funding. Block grants should be given to all public and private higher education institutions so long as they are above a certain grade in the National Assessment and Accreditation Council (NAAC) system. If the larger purpose of the government is to create an ecosystem and a culture of research in universities, how does it matter whether the research emerges from a public or a private institution? In the current system, there are deeply embedded institutional disincentives for promoting research and they have to be removed.

### **The way forward**

We live in the Asian Century. The rise of China and India in all aspects of social and economic development is the big story. But, for India, this rise will not be possible without a change in our funding and budgetary framework for higher education. We need reforms at all levels; the government should lead this effort. Reforms in tax structure will help promote philanthropy in higher education; we need to use the CSR framework directly to benefit higher education sector and policy guidelines have to be formulated to ensure that funding higher education institutions will fulfil CSR compliance mechanisms. We also need to remove the retrograde step of having GST in any aspect of higher education. The success of all major policies that we are pursuing—including expanding the manufacturing sector, building new rural and urban infrastructure, including smart cities, and promotion of entrepreneurship through developing a culture of innovation—depends upon our ability to build a world-class higher education system. We need more resources, a lot more resources to become a knowledge economy, else we will be left behind, not just in the world, but even within Asia.

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