Understanding the Status of Higher Education in India: Challenges and Scepticism towards Serious Investments in the Sector

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ABSTRACT

The paper examines the higher education scenario in India and attempts to point out why very few serious investors invest in higher educational sector. Several factors are responsible for this. Primary among these are the legal and legislative hurdles in several federal states. It is also seen that the bad precedent set by the existing institutions dissuade serious investments.

These factors have led to specific problems for serious investors in this sector in India. The paper identifies these problems and suggests that a possible change in perception towards higher education would be most desired in the current milieu. Certain contours of change in perception are identified.

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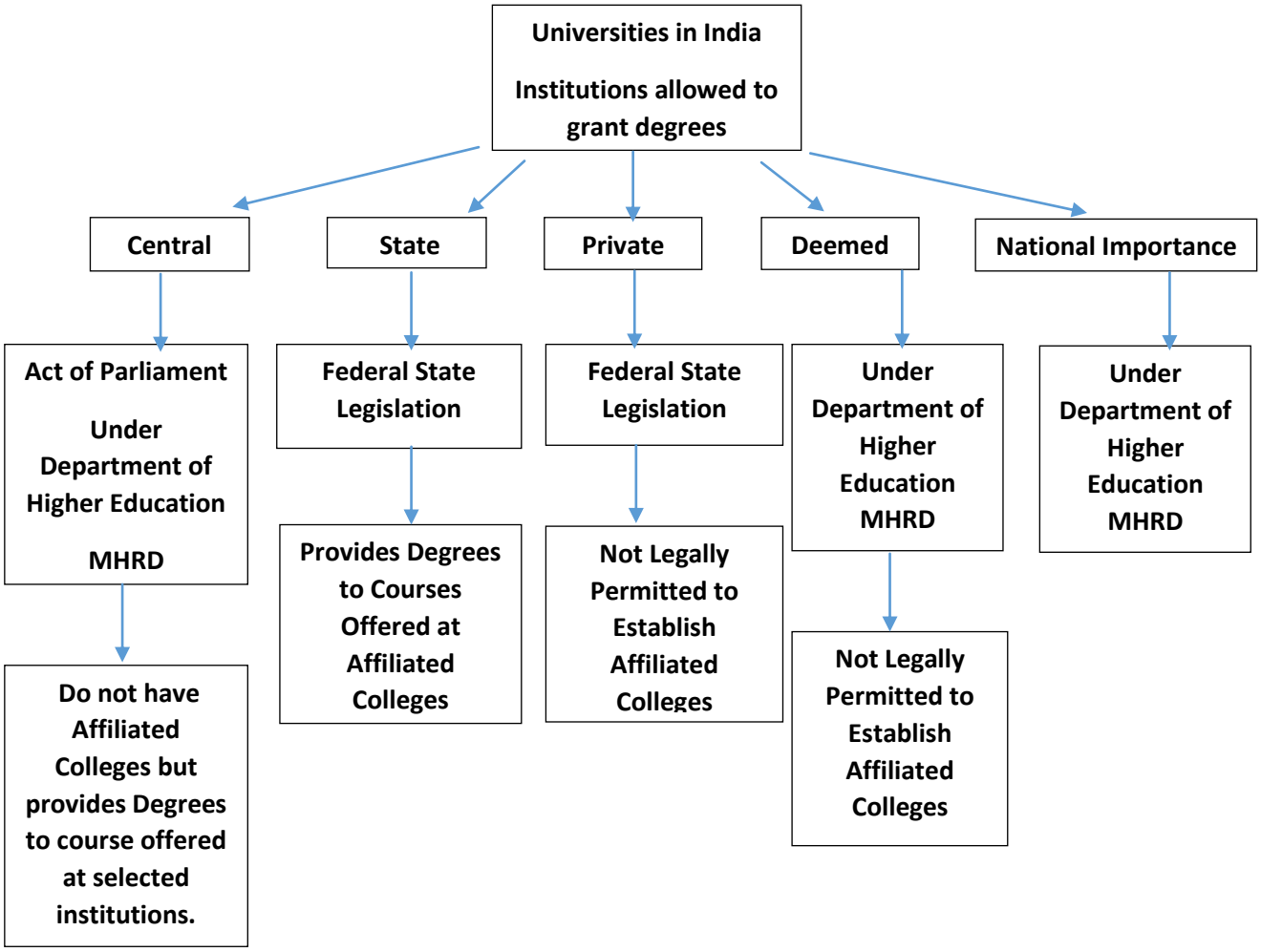
Introduction

A. The Higher Educational Infrastructure in India

Figure 1 shows the spectrum of higher educational institutions in India. Higher education in India is provided by five groups of institutions: Central, state, private, deemed universities[i] and 'Institutions of National Importance'.[ii] There are 52 such institutions. They predominantly consist of the Indian Institutes of Technology, National Institutes of Technology and prominent medical colleges, including the All India Institute of Medical Science. There are 43 central universities, 312 state universities, 183 private universities and 115 deemed universities in India as listed by the University Grants Commission (UGC), the apex regulatory body for higher education.[iii]

All the above university groups are legally entitled to grant degrees. State universities are the only institutions that are allowed to affiliate private as well as public colleges under them. However, these colleges are allowed to operate only within the individual federal state borders. Private colleges offering professional courses, which match specific needs of a sector or industry, are often affiliated to state universities. It is difficult to estimate the total number of colleges in various federal states. However, affiliated colleges which are provided grants by the UGC are listed on its website. These colleges are called 2f and 12 b colleges. According to the latest figures, there are approximately 9,195 such affiliated colleges in India supported by the UGC. The federal states of Uttar Pradesh and Maharashtra have the maximum number of affiliated colleges numbering 1,677 and 1,185 respectively. Karnataka (766), Chattisgarh (488), Gujarat (486), Tamil Nadu (468), and West Bengal (433) too have large number of affiliated colleges under their federal state universities. While private universities do not have affiliated colleges, these universities also offer professional as well as regular courses in it.

Figure 1: Universe of Higher Educational Institutions in India



The Ministry of Human Resources Development notes that since 1950 until 2009, university and university level institutions in India have increased approximately 18 times (from 27 in 1950 to 504 in 2009). Despite this increase, the required capacity remains much higher. Conservative estimates showed that by 2006 India required "at least 3,000 more universities each having the capacity to enrol not less than 10,000 students" to meet its demands (Bhargava, 2006).[iv]

By mid-2000 Private investments in higher education was already becoming an alternative route to meet this demand. The number of privately funded institutions for higher education increased from approximately 43 per cent in 2000-01 to approximately 64 per cent in 2005-06. Gross enrolment in these institutions increased during the same period from approximately 33 per cent to 52 per cent during the same period (Prakash, 2009, 3254).

B. Legislations and Institutional Regulations in Higher Education

In India, education is in the concurrent list, where federal states and the central government share responsibilities.[v] Until recently, legislations in higher education prohibited profit making in the sector. Higher education was defined as a not-for-profit sector. Private investments were to be made by sponsoring bodies that had to be a "Society registered under the Societies Registration Act 1860, or any other corresponding law for the time being in force in a state, or a public trust or a company registered under Section 25 of the Companies Act, 1956."[vi] The State provided for tax exemptions for donations made to this sector (Loomba, 2014).[vii] It was only during the Twelfth Five Year Plan in India (2012-2017) that the state considered re-evaluating this status of higher education in India.[viii] However, until recently there has been no clarity on how this suggestion would be implemented.

A 100 per cent Foreign Direct Investment (FDI) is promoted in higher education through the automatic route which requires no prior approval from the state. However, the regulatory environment prescribes several conditions for foreign universities including fixing of fees, or the need of foreign institutions to affiliate with an Indian counterpart, which has dissuaded investments.[ix]

The nodal ministry for education in India is the Ministry of Human Resource Development (MHRD). The MHRD has a Department of Higher education which is the apex department "for the overall development of the basic infrastructure of Higher Education sector".[x]The University Grants Commission (UGC) under the Department of Higher Education in the MHRD acts as the coordinator as well as prescriber of standards for education in the country.

UGC, established by an Act of parliament in 1956, is a statutory body of the Government of India. UGC has its head office in New Delhi and six regional centres (Pune, Hyderabad, Kolkata, Bhopal, Guwahati and Bengaluru) to cater to various regions in the country and it has the following mandates:

- Promoting and coordinating university education.
- Determining and maintaining standards of teaching, examination and research in universities.
- Framing regulations on minimum standards of education.
- Monitoring developments in the field of collegiate and university education; disbursing grants to universities and colleges.

- Serving as a vital link between the Union and state governments and institutions of higher learning.
- Advising the central and state governments on the measures necessary for improvement of university education.[xi]

This mandate makes the UGC a major regulator of higher education in India. However, the regulatory environment is not limited to the UGC alone. All India Council for Technical Education (AICTE), Department of Electronics Accreditation of Computer Courses (DOEACC), Distance Education Council (DEC), Indian Council for Agricultural Research (ICAR), Bar Council of India (BCI), National Council for Teacher Education (NCTE), Rehabilitation Council of India, Medical Council of India, Pharmacy Council of India (PCI) Indian Nursing Council (INC), Dentist Council of India (DCI), Central Council of Homeopathy (CCH), Central Council of Indian Medicine, Council for Architecture, National Council for Rural Institute, and State Councils for Higher Education together decide the quality of higher educational institutions in India. Despite this regulatory environment, the Indian judiciary has been constantly involved in defining private investments in higher education indicating the inadequacy of the present regulatory system.[xii] .

C. Accreditation

Accreditation of higher educational institutions in India has remained a contentious issue. Several autonomous bodies function to grant accreditation. Foremost among them are the National Assessment and Accreditation Council (NAAC), and the National Board of Accreditation (NBA). Accreditation of higher educational institutions was made mandatory under UGC (Mandatory Assessment and Accreditation of higher Educational Institutions) Regulations, 2012. The institutions are accredited for a period of five years and this status was tied to the funds which they would receive from the UGC.

Accreditations are also made mandatory for any higher educational institutions to receive the title of a university. There is an increasing requirement to expand accrediting institutions to keep pace with the growing number of higher educational institutions.[xiii] The NAAC was established to operate under the UGC in 1994 to maintain the quality of higher educational institutions in India. For technical education under the AICTE, the NBA was established during the same year. The major problem which stymied the functioning of these institutions providing accreditation were their dependence and existence as appendages to the regulators

(UGC and AICTE). The situation continued for nearly a decade before the NBA separated and became independent from the AICTE. However, NAAC has until very recently remained part of the UGC. The process of separation is currently being decided.[xiv]

Observations

1. There is a huge requirement for higher educational institutions in India. Private investments were considered the answer to this requirement and have become vital since 2000.
2. There is continuous involvement from the judiciary to decide the trajectory of private higher educational institutions. This indicates that the regulatory and legislative environment is ill-equipped to meet the growing private sector.
3. The regulatory environment dominated by the UGC is directly influenced by the federal government. This has implications on its independent functioning. In addition accreditation institutions are more or less appendages of the UGC which in turn affects its independence.

Private Sector in Higher Education: Prevailing Scepticism

The higher educational sector, until the entry of private investors, was dominated by state- led institutions. With the entry of private investors to this sector there was a noticeable failure to improve the existing regulatory requirements to accommodate them. This led to incompetent players and illegal practices. It was some time before this was recognised and measures were adopted to counteract them.

The prevailing scepticism faced by the sector owes much to the dominance of such players. Starting from 2002, a series of incidents were reported in private higher educational institutions in India which revealed corruption, cronyism, rifts in the manner of its functioning and compromise with quality. The federal state of Chattisgarh was one of the first where private universities were legally challenged. The Supreme Court challenged provisions in the Chattisgarh Private Sector University Act (2002) allowing for a proliferation of private universities in the state; 112 private universities in the state were declared void and unconstitutional by the Court in 2005.[xv] This opened up a gamut of issues on the operation of these universities. As a follow-up to regulating and monitoring the standards of these institutions, a series of steps were adopted by the UGC, under the privileges it held (UGC Act 1956) which were reiterated by the Court ruling in Chhattisgarh. The guidelines were set

primarily under the UGC (Establishment of and Maintenance of Standards in Private Universities) Regulation, 2003.

A. Allegations against Private Colleges and Deemed Universities

Following the issue in Chattisgarh, media reports indicated that the condition of other affiliated private colleges and universities across India were not very different. Several serious allegations and exposures were made against these institutions. These incidents posed questions on the ability of these institutions to offer a professional and competitive environment. This was also a pointer towards the ailing higher educational institutions in India. Some prominent issues over the period since 2002 had a negative impact on the status of private sector providers of higher education. Selected incidents are noted below.

a. Arbitrary nature of fees collected in private medical colleges in Chennai (capital of the southern federal state of Tamil Nadu) in 2009, also led to exposure of the family fiefdom that deemed universities had become. It showed that most of the family members who held influential positions in these universities worked with honorary decorates earned from foreign universities.[xvi] This issue reopened questions on the credentials of investors in the sectors.
b. It was reported that entrance to these deemed medical and engineering colleges in India were mostly made through the offer of 'capitation fees' paid in cash. The fee ranged from USD 100,000 to 200,000. The southern federal states of India were notorious for the prevalence of this system. In Tamil Nadu, there were 16 blacklisted universities while in Karnataka there were six.[xvii] There have also been reports that in the eastern federal state of West Bengal similar amounts were collected from students admitted to medical colleges.[xviii]
c. Entrance of students to these institutions also took place through what is defined as management quotas. The fee charged under this can be as high as 40-50 per cent of the existing fees.[xix]
d. Proliferation of these deemed universities led to the constitution of a Central government panel [xx] which recommended blacklisting of 44 deemed universities in 2010. This included 31 private universities and 13 public institutions. Approximately 200,000 students were studying in these institutions. This case is pending before the Supreme Court.[xxi]

e. State universities (deemed, as well as private), which were restricted by law to set up institutions beyond their borders, developed an innovative model where they started several franchises across the country. This model of franchising led to awarding degrees to several students without evaluations.[xxii] This was done with the help of consultancy firms which offered to start study centres across the country. The fee charged at these centres for specific courses were 5 to 20 times the usual rates. Over time, some of these centres were almost selling degrees for a price.[xxiii]

f. In a very recent expose, violations and malpractices were discovered under colleges affiliated to the Guru Gobind Singh Indraprastha (GGSIP) University, New Delhi. It is reported that colleges under this university are ill equipped to organise courses.[xxiv] Violations of all norms in education have also been reported in the federal state of Madhya Pradesh where university officials have been arrested over the sex-for-marks scandal in Rani Durgavati Vishwavidyalaya (RDVV) in Jabalpur.[xxv]

g. The number of affiliated colleges in federal state universities have been dramatically increasing. This made it difficult for the state universities to manage these colleges and ensure quality of output.[xxvi] The federal government as part of its 12th Five Year Plan came up with different options to revamp the affiliation system. However, no concrete development has occurred so far.[xxvii]

B. Issues Plaguing the Private University System in India

The spread of private investment in higher education in India reflects a pattern. While private colleges providing professional courses in medical and engineering fields abound in the southern federal states, the northern federal states have more investors in universities. The southern states are conspicuous in the absence of private universities. Private universities are enacted through legislations at the level of the federal states. The southern states have stood firmly against bringing such legislations although the requirements in enrolment for higher education remain high. Recent efforts in Kerala to bring out a legislation was turned down by the state government.[xxviii] However, it should be noted that the number of deemed universities have been relatively high in the southern federal states.[xxix] Some observations on the private universities across India are noteworthy.

a) Not all federal states allow private universities: Federal states with high literacy rates have not issued legislation favouring establishment of private universities. Only

Mizoram and Tripura are exceptions to this feature. The reason behind this remains unexplored. However, discussion with practitioners in the field reveals that these decisions are based on political considerations.

b) Northern federal states and states with low achievements in primary and secondary education have more private universities. Most of the northern federal states have enacted legislations favouring private universities. Twenty states in India has private universities enacted through state legislations. Out of these, 13 states have relatively low literacy levels compared to the rest of India.

c) Rajasthan and Uttar Pradesh have maximum number of Private Universities: Out of these 13 states, Rajasthan and Uttar Pradesh are noteworthy. They rank 29 and 33 with respect to the literacy levels achieved. The literacy levels in these federal states are approximately 67 and 69 per cent respectively. This roughly indicates the status of primary and secondary education levels in these states. If these states are not concerned with the low levels of achievement in primary education even as they promote private universities, it could be indicative that are using the sector to generate revenue.

d) Cronyism is prevalent in these institutions: If we take the specific case of Uttar Pradesh, we find that in all the 21 private universities in the state, politicians have an active stake in the management of seven. Another seven universities have businessmen holding key positions. In at least one of these universities, the vice chancellor and his relatives have been accused of rape and murder of one of their students. Thirteen of the private universities do not have any accreditation till date.

Identifying the Problems in Higher Educational Institutions in India

What is noticed in higher education in India is that much of the issues reported have occurred at colleges and universities (deemed and private) which are controlled by federal state legislations. This indicates that there are severe issues in how the federal state promote and manage these higher educational institutions. It is also indicative from the above observations that the regulatory environment was least proactive to limit the number of such incidents. In addition, repeated occurrences of such incidents question the accreditation practices existing in India. The outreach of the existing regulatory structures seems to have been bypassed in the federal states.

The following broad problems are identified as constraints to expanding the higher educational infrastructure in India. These problems are classified under the three categories of Regulatory, Institutional and Decision making

Regulatory

Problem 1: The regulatory environment and the existing system of accreditation in India has proved to be inefficient in the sector. There are two issues here.

a) Centralisation of regulatory and accrediting institutions: Regulation and accreditation in India are centralised with poor outreach in the federal states. There is a significant requirement for expanding the reach of accrediting institutions across the country for keeping pace with the growing number of higher educational institutions.[xxx] The dependence and existence of accrediting institutions as appendages to the regulators stymied its functioning. The process of separation is currently being decided.[xxxi]
b) Corrupt practices within regulatory agencies: Corruption by officials of UGC and AICTE has often been reported in the various federal states.[xxxii] In addition to the UGC and AICTE, there exist a number of statutory professional councils which act as regulators of higher educational institutions. However, the functioning of some of these councils like the Medical Council of India (MCI) was questionable. In 2010 the president of MCI was arrested for allegedly taking bribes to give recognition to private medical colleges. The inefficient legal structures guiding these organisations are reflected in the fact that the same person was taken on board a few years later.[xxxiii] In an attempt to standardize medical education in India the National Commission for Human Resources for Health (NCHRH) Bill, 2011, was introduced in the parliament. The bill proposed to dismantle the existing professional councils with an overarching regulatory body. In view of concerns raised by the federal states the bill was rejected seeking further recommendations.[xxxiv] There is no effective mechanism to challenge corruption in these institutions. The National Accreditation Regulatory Authority for Higher Educational Institutions Bill (2010) which is still pending debates in Parliament is a necessary start towards these issues.[xxxv]The situation reflects inefficiency and indecisiveness in managing the sector.

Problem 2: Ambiguous Legislations at the Federal State level.

The not-for-profit model in higher education in India is often considered a hurdle to attract serious players. A for-profit-model is argued to make investments more legible in an accounting sense and thereby expanding the tax base in the state. It is also argued that this model would further the linkage between the academia and industry. In furthering competition, entrepreneurs are expected to take proactive and innovative steps to further the development in the sector. The inherent delays in the bureaucratic system will also be eliminated under a competitive environment (Loomba, 2014, 236-240). The present system does not allow for any of these advantages.

Legislations required for establishing private universities further highlights ambiguities in legislations at the federal states. Separate state Acts are required to create private universities across federal states in India. Across states in India where private universities exist, there is no transparent and comprehensive legislation for these universities. Instead each of these universities are formed through separate Acts. In some cases like Rajasthan, there is a general guideline for establishing a university. However, there are significant loopholes in this. In Uttar Pradesh, which has 21 private universities, each registered under separate acts without any uniform guideline or a comprehensive law to govern them. Some examples of these state legislations for selected universities in UP are noted below. These are reported in the university websites and have been reproduced as such to highlight the issue.

1. "Mangalayatan University, Uttar Pradesh Act" and notified by the Government of Uttar Pradesh as Act No. 32 of 2006, by its Gazette No. 362/VII-V-1-1(Ka)-12/2006 dated October 30, 2006
2. Mohammad Ali Jauhar University Act 2005 (UP Act no 19 of 2006) Notification No. 710/17-2005 VII – V -1 – 1 – (Ka) dated 19.6.2006
3. Invertis University, Uttar Pradesh has been established as a State Private University at Bareilly by Act No. 5 of 2009 State Legislature of Uttar Pradesh; With reference to State Government notification no 1105(2)/LXXIX-V-1-10-1(Ka)29-2009 Dated 1 Sep 2010, on the above subject, UGC is directed to say by reference no 8-23/2010(CPP-I/PU) Dated 7 Feb 2011 that Invertis University ,Bareilly has been established by an Act(No22 of 2010) of state legislature of Uttar Pradesh as a State Private University

4. The Noida International University is a UGC (University Grants Commission) recognised university and is sponsored by the Maruti Educational Trust. It was given the status of a university by the Government of Uttar Pradesh vide notification No. 1108/79-vi-1-10-1 (Ka) 23-10 Lucknow, dated October 12, 2010, Act No. 27 of 2010
5. Monad University, Hapur has been established vide Act No.23 of 2010 of the Government of Uttar Pradesh. This has been published in its Official Gazette on October 12, 2010

These descriptions are not only confusing but are also opaque. While these Acts could indicate that these universities are legal, other details of these separate Acts are unavailable. Some of these Acts are also confusing; as in the case of Invertis University. Such heterogeneity of legislations make us question the implications of these legislation if the attempt is to standardise the higher educational infrastructure in India.

Separate legislations for each university lack transparency and breeds cronyism and corruption. Each state government has to frame the rules for the sector and not for individual applicants. This endangers the basic tenants of equality before law. Since the intent is to promote private universities (again, the state has to clarify its position in the policy) the State has to ensure a level playing field for the competent parties. When the sector is opened up, the objective should be to improve the quality of education, upgradation of the courses on timely basis and availability and accessibility to higher education avenues. These guidelines should be incorporated in the legislation rather giving space for arbitrage.

Problem 3: Ambiguous Guidelines Defined at the Federal State Level

In federal states where comprehensive guidelines exist for the creation of private universities there are glaring loopholes. One of the most visible comprehensive guidelines for establishing a private university is provided by the federal state of Rajasthan. The document is titled “Guidelines for the Establishment of Private Universities by Separate Act replacing the Rajasthan Private Universities Act, 2005”.[xxxvi] These guidelines cover three stages of entry of any player into private universities: an application stage, a stage where a government committee approves the sponsoring body, and a compliance stage where the government ensures that the conditions are met. While these umbrella guidelines exist there are **two factors** which facilitate cronyism. The sponsoring body of private universities in this state could evade strict monitoring under this legislation. This is because there are no clear

definitions on who would constitute the committee (to approve the sponsoring body's proposal) and what the criteria would be for selecting this committee.

In addition, the power given to the committee to evaluate the sponsoring body's proposal based on "background of the sponsoring body, that is to say its expertise and experience in the field of education, its general reputation etc. and its commitment to follow the norms of the regulating bodies; and potentiality of the courses proposed to be offered that is to say the courses are able to develop the human resources as per the requirements of contemporary demands, the courses have new features and include emerging branches of learning" are open to questions and challenges.

Institutional

Problem 4: The Question on Affiliated Colleges

UGC regulations do not grant private universities the right to start affiliated colleges. Affiliated colleges are allowed only under state universities. Section 2 (f) of the UGC Act 1956 regulates these colleges across the states which submit their proposals for financial assistance from the UGC.[xxxvii] Affiliated colleges under state universities provide for most of the under-graduate education in India. The system of affiliated colleges has been identified as increasingly becoming a burden to state universities. The Madhava Menon committee identified these problems in the federal state of Kerala. Alternatives recommended by the committee included providing autonomy to these colleges, or grouping them to form cluster universities.[xxxviii]

The legislation for private universities do not incentivize undergraduate courses. The existing fee structure for undergraduate programmes are relatively low. This builds a system where private universities are keen to provide professional courses in management, engineering or medicine where the fees charged are relatively higher.[xxxix]

The second problem with promoting a university system which has no incentive to promote liberal arts, humanities, social sciences and science has much to do with defining the purpose of education. The strength of this argument is derived from suggestions made in the Yeshpal Committee report 2009.[xl] The report notes that "there is a need to expose students, especially at the undergraduate level, to various disciplines like humanities, social sciences, aesthetics etc., in an integrated manner. This should be irrespective of the discipline they would like to specialize in subsequently" (Yeshpal, 2009, 21).

Decision making

Problem 5: Fee Decisions made by the Federal States

Fee structures for the various courses are fixed by the federal state governments.[xli] Admission and Fee Regulatory Committees (AFRC) exist in most of the federal states to determine the fee structures in private-professional educational institutions. There are contentions between the state and these private institutions on whether the fee charged should be uniform across students. The state aims at differential fee structures based on economic and social criteria. However, the private educational institutions argue for a uniform fee structure. Private educational institutions also point out that the AFRCs are vulnerable and easily influenced by the federal state governments. This affects their capacity to act as independent regulatory organisations.[xlii]

It has also been recognised that the fee structure can vary with factors like location, infrastructure, or funds required to expand the institutions. Uniform fee structures are likely to influence the functioning of private providers that require funds for these purposes. Such regulations could restrict fund requirements and contribute to corruption and cronyism. In affiliated colleges of state universities expenditure incurred by the federal state governments to provide subsidised education is huge.[xliii]

Problem 6: Freedom to Start a Course and Design it

Section 22 of UGC Act 1956 says that, "the right of conferring or granting degrees shall be exercised only by a University established or incorporated by or under a Central Act, a Provincial Act or a State Act or an institution deemed to be a University under Section 3 or an institution specially empowered by an Act of Parliament to confer or grant degrees." This clause has been used by the UGC to prevent academic independence of universities in India to design and develop courses.

The UGC came up with a gazette notification on July 5, 2014 (with the approval of the Central government) naming specific degrees ('approved nomenclature' numbering 129) which universities could grant for their higher educational courses. The nomenclature was prescribed by the UGC stating that they should be "generally recognised, globally acknowledged and widely accepted". In this gazette publication, the UGC allows for integrated and dual degree programmes with the freedom for "additional interactive courses". However, these freedoms are subject to regulations prescribed by the UGC and various

statutory authorities as well as political interferences. For instance, although the UGC gazette provides options for "additional interactive courses" the existing system in the federal state of Kerala would authorize the university syndicate to approve it. Autonomy of educational institutions should allow these decisions to be made at the college level.

Cost of Regulating the Sector

In India, until the beginning of the 21st century, the number of people enrolled in higher education was significantly low compared to developed and developing nations (Tilak, 1995).[xliv] The strategy until then was to increase state intervention by subsidising the sector. The inability of the state to invest '6 per cent of the Gross Domestic Product (GDP) for education' was considered to be a major hurdle in expanding the sector. Arguably, higher education was considered as a merit good[xlv] capable of producing inter-generational externalities. This continued to be a justification for state involvement in the sector. Institutions of national importance which were continually funded by the state and remained the most prestigious were highlighted as success stories. However, the limited number of seats in these institutions and inability of the state to replicate this success at other state-owned higher educational institutions became obvious. Private investment in higher education provided an alternative to the state at this point.

However, a regulated environment continues to stymie the sector. The Gross Enrolment Ratio (GER) in higher education in India remains at approximately 14 per cent in 2010.[xlvi] This reflects the continued restricted access to higher education in the country that stands much below global trends. A study by Ernst & Young specifically notes the role of private sector in higher education in major countries. In the US, private institutions accounted for approximately 40 per cent of the enrolments in 2009. For-profit institutions played an active role in increasing this share. In Japan, private sector accounted for more than three-fourth of the universities. The enrolments rates in these countries were far ahead of India. The state functioned in these countries as enablers of the private sector in higher education. This included facilitating legislations, providing subsidies to ease operating costs, or giving student aids in for-profit institutions.

The present paper notes that private investments, ever since it's entry to the sector, have been perceived with scepticism. A major reason for this was the reported cases of corruption and cronyism in the sector. These distortions in the market were the direct result of an ill-equipped regulatory environment. While the system remained over-regulated, governance of

these institutions remained inefficient. The regulatory and accrediting institutions also functioned as appendages of the state and hence could not operate independently. In this new environment where private players could play a major role in higher education in India it becomes essential that they are facilitated by removing these bottlenecks.

The paper identifies six major problems in this context. Undue restrictions imposed on private investors are likely to have a serious impact on all major stakeholders. For the students, accessibility to higher educational institutions need to be facilitated. For the state, the challenge would be on two fronts: the funds required to build the system and the need to constantly improve human resources in the country. For any serious investor, entry to the system itself pose a serious challenge. Correcting the system by addressing the problems identified is essential to remove arbitrary involvement of the state as well as to usher in serious investors in this field.

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[i] "University Grants Commission (Institutions Deemed to be Universities) Regulation, 2010", Refer: http://www.ugc.ac.in/page/Deemed-Universities.aspx The Regulation defined and provided eligibility conditions for deemed universities.

[ii] In India, a university means "a University established or incorporated by or under a Central Act, a Provincial Act or a State Act and includes any such institution as may, in consultation with the University concerned, be recognised by the University Grants Commission (UGC) in accordance with the regulations made in this regard under this Act." A Private University is "A university established through a State/Central Act by a sponsoring body viz. A Society registered under the Societies Registration Act 1860, or any other corresponding law for the time being in force in a State or a Public Trust or a Company registered under Section 25 of the Companies Act, 1956." Refer: http://mhrd.gov.in/overview_uni_higher_english.

[iii]University Grants Commission http://www.ugc.ac.in/

[iv] P. Bhargava, "Knowledge and National Development", paper presented in the National Seminar on the Education Commission organised by NUEPA, New Delhi from December 26-28. 2006, mimeo. in Ved Prakash "Trends in Growth and Financing of Higher Education in India," Economic and Political Weekly, Vol. 42, No. 31 (Aug. 4-10, 2007), pp. 3249-3258.

[v] Education was introduced in the concurrent list following the constitutional amendment of Article 42 of the Indian constitution in 1976.

[vi] UGC (Establishment of and Maintenance of Standards in Private Universities) Regulations, 2003, www.ugc.ac.in/oldpdf/regulations/establishment_maintenance.pdf

[vii] Gayatri Loomba, "Profiteering in Higher Education in India", 2014, Journal of Indian Law and Society, Vol. 4: Monsoon, pp. 212-246

[viii] Ritika Chopra, "Plan Panel versus Sibal on profit in varsities: Twelfth plan report says higher education can be run for profit," Mail online India, September 23, 2012,

http://www.dailymail.co.uk/indiahome/indianews/article-2207565/Plan-Panel-versus-Sibal-Profit-Varsities-Twelfth-plan-report-says-higher-education-run-profit.html

[ix] "Education", Overseas Indian Facilitation Centre, September 2014, http://www.oifc.in/education

[x] Department of Higher Education, Ministry of Human Resources Development, Government of India, http://mhrd.gov.in/higher_education

[xi] "Mandate", University Grants Commission, http://www.ugc.ac.in/page/Mandate.aspx

[xii] J.P. Unnikrishnan vs. State Government of Andhra Pradesh, (1993); T.M.A Pai Foundation vs. State of Karnataka (1994); P.A. Inamdar v State of Maharashtra (2005) were some of the crucial judicial involvements which defined the trajectory of private investment in higher education. Details of these judicial involvements can be seen in http://indiankanoon.org/

[xiii] "The UGC has made it mandatory for all colleges and universities in the country to get accredited by June 25, 2015", The New Indian Express, January 11, 2015, https://mbcet.wordpress.com/2015/01/12/the-ugc-has-made-it-mandatory-for-all-colleges-and-universities-in-the-country-to-get-accredited-by-june-25-2015/

[xiv] Hemali Chhapia, "NAAC finally moves towards autonomy, to come out of UGC's shadow", The Times of India, July 26 2014, http://timesofindia.indiatimes.com/home/education/news/NAAC-finally-moves-towards-autonomy-to-come-out-of-UGCs-shadow/articleshow/39010429.cms

[xv] J. Venkatesan, "Supreme Court declares 112 private universities in Chattisgarh illegal", The Hindu, February 12, 2005, http://www.thehindu.com/2005/02/12/stories/2005021205600100.htm

[xvi] Raghavendra Verma, "India: Scandal results in university review", University World News, June 21, 2009 http://www.universityworldnews.com/article.php?story=20090618200456244

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