

## 17th Anniversary Essays

### Indian Education Needs Liberalisation Tonic



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The best people to ascertain whether Indian education has been sufficiently liberalised — as has Indian industry since 1991 — is the country's 300 million students' community. They are the ones suffering the brunt of an archaic, dysfunctional education system. Unfortunately, little is being done to correct it.

The doubling of India's annual GDP growth rate since 1991 proves that liberalisation and freedom of operations are the key drivers for growth of industry. Similarly over the years, the Union government has introduced policies to liberalise the education sector. Initiatives such as 100 percent foreign direct investment, and encouraging domestic private investment in education are notable developments. However, the plain truth is that substantial and effective liberalisation of 21st-century India's over-regulated education system is a distant

dream.

Education falls under the concurrent list of the Constitution of India. Therefore both the Central and state governments can legislate on this subject. While under this constitutional arrangement education could have received impetus from the Central and state governments, in effect it has resulted in a multiplicity of regulators and plethora of laws and stipulations. The end result is that complexities and compliances have disillusioned and disincenitised foreign and domestic investors from entering Indian education.

Currently, the only segment of the education sector which isn't regulated by government is early childhood or pre-primary education. Because they are unregulated, private pre-primaries and play schools have mushroomed countrywide. These schools are managed by individuals (owners and franchisees), and have created employment for thousands of teachers. However, there's a strong lobby in favour of regulating pre-primary schools and imposing admission, teacher recruitment, tuition fee approvals and registration rules and regulations upon them.

In a positive initiative to boost pre-primary education, Tamil Nadu has notified an enabling Code of Regulations for Play Schools 2015, governing preschools imparting informal education to children in the 1.5-5.5 years age group. Other states should follow suit.

In the K-12 education space, barring a few exceptions such as Haryana, which allows private limited companies to establish for-profit schools, other states require educational institutions to be registered as not-for-profit entities, discouraging private educators from investing in this sector. Moreover, enactment of the Right of Children to Free & Compulsory Education (RTE) Act, 2009, which makes it mandatory for private schools to allocate 25 percent capacity in primary schools to children from poor



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households in their neighbourhoods at government-prescribed fees, has added to the financial burden of private K-12 schools. And if this isn't enough, several state governments (Maharashtra, Rajasthan, Tamil Nadu) have enacted legislation to regulate the tuition fees of private schools, interfering with the operational freedom of private education providers. Although such interference is against judgements of the Supreme Court, such legislation is still being enacted countrywide.

In higher education, a mere 20 percent of youth in the age-group 18-24 (cf. 50-80 percent in OECD countries) are in colleges and universities. This is primarily because the education provided by most higher ed institutions in India is outdated and isn't designed for employability. Thus, students either skip higher education or if they can afford it, study abroad, resulting in an outflow of foreign exchange and a 'brain drain'.

Private foreign educational institutes are keen to invest in India's higher education segment. With their vast resources, experience and proven capabilities, these institutions can give a huge boost to our languishing colleges and universities. However, despite prolonged debate and several draft Bills, India still doesn't allow foreign institutes to establish campuses in India.

The University Grants Commission recently notified the UGC (Promotion and Maintenance of Standards of Academic Collaborations between India and Foreign Educational Institutions) Regulations, 2016. Being a 2016 regulation, it was reasonable to expect the rules to be in tune with the changing times. However, the notified regulations still focus on the traditional concept of on-campus education and stress archaic norms such as minimum duration of study, etc. The lack of clarity in this notification has created greater ambiguity for collaboration arrangements between foreign and Indian institutes.

All these factors, instead of resulting in progression of education, are pushing it back to pre-liberalisation times.

A few initiatives such as bringing uniformity into the regulatory framework countrywide to avoid overlap of regulations, allowing for-profit entities to operate in this sector to incentivise private education providers, granting recognition to education delivered online etc, will go a long way in liberalising Indian education for the greater good of India's children and youth.

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