CHAPTER-1

INTRODUCTION

Services Sector is contributing extensively to the Gross Domestic Product (GDP) of India. According to the Economic Survey 2010-11, it is 55.2 percent and is growing by 10 percent annually. The survey also stated that it accounts for quarter of total employment, high share in Foreign Direct Investment (FDI) inflows and recording 27.4 percent export growth in the first half of 2010-11.

Services sector is a very broad sector. It includes leisure industry, hospitality industry, finance services, infrastructure and social services like health and education. Indian health services are attracting more foreigners to India as they get exemplary services at less cost. Education sector also should try to attract more students from abroad and at the same time encourage Indian students to remain in the country by providing the best education system. Thus it will ensure the country’s socio economic development.

The opening up of Indian economy has led to sea changes in various sectors. Like any other sector, the Education system, being a part of a larger system (i.e., society), is also affected by the new economic policies. Inevitably, this sector also has to adapt to the environment. Survival of the fittest has become the order of the day. The educators, therefore, have to be proactive to meet the challenges of the present situation.

The Nobel Prize winning Economist Amartya Sen says that the only route to uplift and provide impetus to an under developed economy is through education. He provides South Korea as a model. Huge funds were pumped for a decade in this sector. The returns came in huge proportions and the country is on its way to becoming a developed nation by 2020. This was told by a close associate of the researcher.

The researcher’s main aim is to find out the effectiveness of present education system and to find out there is any room for further improvement. One can see the globalization
process made vast changes in every sector, whether it is manufacturing sector or service sector. Those who were proactive are surviving in the present scenario. Unlike other sectors age old Indian educational institutions are having better edge over foreign institutions as well as new Indian origin educational institutions. As the time progress, one can be very sure that the new entrants will build their own place and slowly steadily encroach on the areas of age old institutions.

Education system is one of the major areas that need lot of reforms and restructuring in India. It is a Global phenomenon. Every country is in the process of improving the socio-economic conditions. An important tool for this is to provide high quality education to the citizen of the countries. The growth of any nation depends on the holistic development of its various sectors. In short all these sectors are interdependent. The country has adopted changes in economic sector, agricultural sector, various services sector and also felt an impact of new global phenomenon in culture too. One can think of the crucial role a country’s education system to play, so that the country can adopt the changes very smoothly. It will set up a conducive environment and contribute continuously to the development of the society.

Ancient India is known for prevalence of renowned universities like Nalanda and Takshila. The year 1857 made a landmark in the establishment of three major universities like Mumbai, Chennai and Kolkata. At present India has as many as 300 universities and innumerable number of colleges affiliated to them. To monitor and create a better education environment, the Government of India has set up number of institutions like University Grants Commission (UGC), All India Council for Technical Education (AICTE). There are number of boards like National Board of Accreditation (NBA), National Accreditation and Assessment Council (NAAC), and International Organization for Standardization (ISO) in awarding ratings or grades to the educational institutions.

The researcher would like to quote the Kothari Commission Report (1964-66) that was appeared in one of the articles in Association of Indian Universities, which had compiled selected articles from University News. “The destiny of India is now being shaped in her
classrooms. This, we believe, no more rhetoric. In a world based on science and technology, it is education that determines the level of prosperity, welfare and security of the people. On the quality and number of persons coming out of our schools and colleges will depend our success in the great enterprise of national reconstruction”.

The article appeared in compiled articles of University News, a volume of Associations of Universities, also carried the quote of Dr. Radhakrishnan. “If India is to confront the confusion of our time, she must turn for guidance not to those who are lost in the mere exigencies of the passing hour, but to her men of letters and men of science, to her poets and artists, to her discoverers and inventors. These intellectual pioneers of civilization are to be found and trained in the universities, which are the sanctuaries of the inner life of the nation”.

It is very clear that the building of a nation depends on the education system that it has. It should give a strong base at primary level of education and when it comes to higher education it should prepare the citizens to adapt themselves in any changing conditions. The student after acquiring the knowledge from the higher education system should be able to contribute to the industry.

However the challenge for Indian universities and institutions have started after the opening up of Indian Economy in the year 1991 and encouraging the entry of World’s Universities and Institutions. Like any other sector, this sector needs lot of reforms and should be made proactive.

The recommendation of WTO cannot be ignored or over looked by any country. Every sector has taken this as an opportunity to expand and reap the benefit of extended market. In the educational sector, Universities from developed countries assumed that there is lot of opportunities to ‘market’ their courses in a highly populated country like India and China.
Their first preference will be absolutely India as it has large number of English speaking population. Survival of the fittest will be the order of the day. Therefore education sector should be able to understand the current situation and be proactive. India already has large number of universities and affiliated colleges and autonomous institutions. There are different types of universities and institutions. Some of them are recognized by the apex bodies like UGC or AICTE and some are private universities.

There is severe competition between Indian educational institutions and also from foreign universities in India and abroad. There are number of Indian universities and institutions abroad especially in Asian countries. This new phenomenon in the educational sector encouraged the researcher to explore the need and techniques for making an institute competitive in the current scenario.

Being at the apex of the educational pyramid, higher education has a key role to play in the education system. The National Policy on Education visualises higher education to be more dynamic and of high quality because higher education provides people an opportunity to reflect on the critical social, economic, cultural and spiritual issues facing humanity.

1.1. Educational Environment in India

It is necessary to understand the environment where the activities are undertaken. An environment can be explained as surroundings. The surroundings have a greater tendency to influence an individual, or an organization’s activities. The environment can be further classified as internal and external environment. A detailed study facilitates to understand the strength, weaknesses, opportunity and threat for an organization. It assists to foresee the opportunity and challenges and thus an organization can be proactive to the ever changing environment. Internal environment to a great extent are controllable. The organization can exercise its freedom to alter the situations. Unlike the internal environment external environment limits the scope of the organization. It will restrict and regulate the activities of the organization. Moreover it is highly dynamic in nature. A
proactive organization should always foresee the changes and prepare detailed plans to face the challenges or to utilize the opportunity.

Education system belongs to social system and therefore cannot work in isolation. It is better to scan the present environment especially for higher education. The study is restricted to undergraduate courses offered by Mumbai colleges.

Government of India, like any other sector, liberalized the services sectors also. Education sector also has started feeling the heat like any other service industry. Many institutions are going for autonomy. There are institutions that are entering into collaboration with foreign universities. University Grant Commission plays an important role in deciding all functional areas of the affiliated universities and which indirectly have an impact on the affiliated colleges. In short there are limitations in determining courses, syllabus, appointment of staff, teaching learning process and so on. For example, UGC do not feel the importance of practical training for commerce stream; but recommends for workshops, seminars and such related activities.

1.2. An Overview of Mumbai University Non-Technical Colleges

The researcher, as a member of Commerce Syllabus Restructuring committee, University of Mumbai, was restricted in amending the subjects and revising the curriculum. One of the members brought to the committee’s notice that the Committee has to keep the title of the papers offered at three year B Com degree course as it will be difficult to convince the Joint Director’s Office. They may argue that the papers are new and therefore, it should be taught as non grant basis. It will affect the work load. Many lecturers will be declared as surplus staff.

The Mumbai University covers Greater Mumbai, Thane, Raigad, Sindhu Durg and Ratnagiri. While drafting syllabus and deciding the subjects one has to understand the social structure, demography, availability of books, teaching learning environment and so on. This further restricted to make drastic changes in the syllabi.
There is lot of scope to start different courses. These courses are affiliated to recognized institutions. Since last ten years number of courses are introduced, but on self funded basis. This will surely affect enrollment for the contemporary courses like Bachelor of Arts (BA), Bachelor of Science (BSc) and Bachelor of Commerce (BCom). Fortunately the impact is not very severe in the case of B Com as this is chosen by students who are aspiring for Chartered Accountancy Course. But the former courses are finding very difficult to survive. Institutions that are offering these contemporary courses have to think some value addition courses along with BA and B Sc. The institutions also should work hard to get placement for the students that will attract more students to choose these courses. The introduction of new courses also demand for infrastructure like right type of faculty, modern and latest teaching tools, library, Guest lectures, industrial tie ups, and an ideal class strength that will ensure right type of teacher student ratio. At the time of examination, institute and in particular university finds it difficult to conduct the entire process smoothly as university cannot insist on visiting faculty to render services.

There is lot of student mobility between Universities and various States within India. University of Mumbai is fortunate to attract more number of migrants. But all colleges are not fortunate to attract ‘quality’ students. It is necessary to prepare attractive programme to encourage such students to choose one’s college. Since the study is limited to Mumbai city and Greater Mumbai, there is no worry about the enrollment for the degree courses. Increase in the middle income group and the loans provided by banks have paved way for the rise in enrollment. The challenge of the institute is to attract potential students rather than mediocre ones. No doubt, it is a social service organization; the survival of the institution depends on the result produced by the institutions and the review of employers of their ‘products’.

There is a recent move that the universities like Mumbai and Pune are planning to bifurcate according to areas. This move is to reduce the pressure on the existing University. An institution coming under a newly constituted division of these universities will attract fewer students as students are worried about the reputation of these new divisions at Global level. Number of private universities is also started three year
integrated graduate courses. Renowned university like Narsee Monjee Institute of Management Studies (NMIMS) has started School of Science and School of Commerce. Indian Institute of Planning and Management (IIPM), a private institution is offering three year integrated Bachelor of Business Administration (BBA) and Master of Business Administration (MBA) courses. An aspirant can get both degrees within three years.

One should learn lessons of schools who are offering Secondary School Certificate (SSC) course. These schools for survival are opting for Central Board of Secondary Education (CBSE), ICSE, and International General Certificate of Secondary Education (IGCSE). There is lot of aspirants for the other boards than SSC. Reason can be to make the child competitive and these exams assist the students to score more marks that enable them to get into reputed institutions for further studies.

Many institutions started to use media extensively for publicity. Both print media and electronic media help these institutions to reach the aspirants. The environment for the institutions in Mumbai city and suburb is highly challenging. There is no doubt the number of students aspiring for degree course are on the rise. But all institutions and every course is not successful in attracting the bright ones. A proactive educational institution should understand the degree of competitiveness, plan academic activities within the limits of the governing body.

Government is also encouraging foreign universities to set up educational institutions in India. It has proposed following programme for the same

1. A minimum 100 hectares have been proposed for such SEZs
2. Fees in these universities will be taken only in foreign currency
3. Universities will have to start making profits by the end of five years
4. Half of the university seats will be reserved for Indian students

There is also migration of Indian students abroad. At least 14% of foreign students enrolled in US universities are Indians. There is lot of awareness programme conducted

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1 Financial Express-13.6.06-Education to get SEZ thrust by Swaraj Thapa- dateline
by Universities from UK and Australia. Students are offered scholarships in UK universities.

1.3. University Grants Commission

University Grants Commission (UGC) is an apex body monitoring the higher education in India. It plays a very vital role in providing finance to different projects of the affiliated universities. It also closely monitors the functioning of universities. Depending on universities performance funds are allocated to them. An educational institution should take this as an opportunity to grow and expand. A proactive institution should have thorough knowledge of the same.

UGC also permits an Institution to be a deemed University. This status is awarded to institutions doing work of very high standard in a specific area. It also provides autonomy to institutions. The objective of granting autonomy to certain colleges is to provide academic freedom, especially in designing their curricula; evolving new methods of teaching, research and learning; framing rules for admission; prescribing courses of study; setting examination papers and conducting examinations.

At present there are various regulatory bodies like UGC and AICTE that prescribes the rules and code of conduct of educational institutions. Eminent educationalists are suggesting having one single body that will enable to regulate and help in the healthy growth of educational sector. There is also another suggestion for conferring University status to Indian Institute of Technology (IITs) and Indian Institute of Management (IIMs).
1.4. Study Abroad Programme

Study Abroad Programme (SAP) is a programme that can encourage and attract students to Indian educational institution. Universities abroad encourage their students to go to other countries and explore various areas. These students are awarded credit for the same. At present, India is recognized for this programme and has become a choice of destination by the foreign students. This will surely enhance the visibility of Indian institutions abroad. It will provide better perspective for Indian academics to reengineer the present curriculum. It will be an additional source of income for the institutions.

There are bodies like ISO, NBA and NAAC certify the performance of institutions. These bodies help the institution to be aware of its contribution to the stakeholders. This exercise will enable an aspirant institution to look inward and compare it with its peer group. Quality assurance is the only measure to win over quality students to an institution.

1.5. Students Enrollment

In India, enrollment to higher education is not very encouraging. Fortunately urban areas are attracting more students to higher education. Thanks to the infrastructure especially transport system and the influence of urban life style, there are more number of enrollment. There is great rush at the university for distance learning as there are limited seats at the affiliated colleges. This phenomenon occurs only for few courses.

In the academic year 2008-09, many elite colleges could not attract students to their capacity. The major threat is number of permanent staff will be declared as ‘surplus’. University of Mumbai is introducing specialized courses to be more students’ friendly.

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2 Prof. Prakash C. Sarangi, Professor & Head, Dept. of Political Science and Joint Director, Study India Program, University of Hyderabad, Promotion of Indian Higher Education Abroad (PIHEAD)
This is another way of reducing financial burden of the government, especially remuneration to staff, both teaching and administrative.

The development of technology, especially Information Technology, is assisting the prospective students to know the institution extensively. One can apply for the courses online. The researcher gets lot of mails from various part of the country enquiring the entire system of admission to courses offered by the college currently working. The challenge to a proactive institution lies in launching an appealing and informative web portal. It should take utmost care in developing one.

India has to develop as a knowledge economy. It has more than 300 universities with a large number of colleges affiliated to these universities. Three universities celebrated their 150\textsuperscript{th} year of establishment recently. With all these things when it comes to world ranking, IIT stood 46\textsuperscript{th} place, Delhi University figured within 200 universities and Mumbai University could manage within 500 universities. In the era of globalization, it is very difficult to withstand the ongoing competition from educational institutions within and outside the country. Indian institutions do not guarantee quality and relevance of education that ensure the development of socio-economic conditions. No doubt many Indian students made a distinct mark in the world organization, but the Indian institutions’ never could create a niche for themselves.

1.6. Socio –Economic Conditions

India’s socio-economic situation has become a major constraint to the development. A country that has more than 500 dialects, traditions, culture and customs, finds it difficult to understand the need of the public and to provide a ‘typical’ curriculum that will enhance the overall development of the country’s major asset, human resources. It is a known fact that the economic development of any country depends on the quality of population. The productivity of labor increases with the high standard of living. The government should provide basic needs of any citizen. Basic needs include food, shelter, clothing, health and education. India is lagging behind in all these accounts. Its position
on Human Development Index is very low - lower than its neighboring countries. There is a drastic reduction in infant mortality rate. But as it comes to education, there are as many as 40% dropouts from secondary school education. Enrollment of students is reducing day by day. There are various socio-economic factors that have led to this situation. The Constitution of India has emphasis on education for all. The government is trying its level best to fulfill its motto ‘equity and equality’. The government has even proposed education compulsory up to 14 years of age. It is very difficult to implement as majority of population are illiterate and poor. There is no systematic process that records every birth and death in India. Still, the marriage registration even in educated population is not common. India, a land of different castes and communities follows different personal laws. Apart from this, there is no policy formulated to encourage students to take up higher education.

Taking into consideration of all these problems, the government is at present allowing private management to start institutions and courses. The institutions are started on the basis of community, may be caste or region hailing from, or the on the basis of linguistic basis. The government accordingly stalled appointment of the staff and supported whole heartedly to the establishment of courses that will not require any government funding. This has given rise to the setting up of number of institutions on no grand basis. These institutions started courses like Bachelor of Mass Media, Bachelor of Management Studies, Bio Technology, Bio Chemistry, B Sc Information Technology, B Sc Computer Science, B Com with Banking and Insurance, B Com with Accountancy and Finance and so on. The introduction of these courses is undertaken without considering the feasibility of these courses. There are no clear norms of the qualification of teachers to handle these courses. It is not very clear that at the time of failure the fate of the students who have taken the course and the teachers who have taken it up as a career. Moreover there is no freedom in curriculum designing or fixing up of fee structure. This means, there is no difference between the contemporary courses and new courses. The ‘market need’ is ignored completely.
1.7. Introduction of New Courses

Some more courses like B Com in Capital Market, B Com in Taxation, and B Com with E Commerce are going to be introduced shortly. Like any other policy, introduction of new courses are done haphazardly. It is going to create problems for aided courses. The takers of traditional courses will be considering them as a substitute or secondary course. There is no guarantee of quality of students for these traditional courses. The introduction of new courses will be undertaken by many institutions. It will result in establishment of new institutions. There will be lack of qualified teaching faculty and poor infrastructure. The institutions who fail to attract good number of students will suffer for survival. The cash crunch will further affect the running of these institutions and courses. Just like the burst of software companies, the weak institutions will have natural and premature death.

As a teacher with two and a half decade experience, realized the need for recognizing the changes, in the current scenario. The very existence of institutions, staff, universities, and other related bodies depend on the customers. ‘Customers’ are the students who are pursuing or proposed to pursue education from universities. There are many ways to express the term ‘customer’. The researcher here would like to apply the term to the direct customer that is ‘student’. It is based on the assumption that they are matured enough to take rational decision. However parents, relatives, and friends do influence their decision.

1.8. Domestic Institutions Vs International Institutions

The present situation is, facing the competition between the domestic educational institutions and also domestic with international education institution. There may be arguments that the domestic institution will be preferred to International educational institutions. Moreover a domestic institution affiliated to university is preferred more, because the fee structure is highly subsidized.
India is a country where the majority of the population falls into middle income group and lower income group. Like any other sector, educational sector can assume that the immediate customers are from middle income group. They can be targeted as a potential market. Therefore, the entire paper focuses on middle income group for current topic under discussion. The assumption is that the higher income group can opt for foreign education and are in position to pay high fees.

Today the middle income group is looking out for institutions that provide quality education and fees for them is a secondary issue. Probably they think that education is the best investment for their wards. In Kerala, many of the government schools are on the verge of closing down, and the closure is taking place at an alarming rate. There is great increase in demand for private management schools. The reason stated was the quality of education imparted by the private schools are better than the government owned or government subsidised schools and parents are, therefore, ready to pay any amount of fees.

Today number of universities is increasing and so are the courses. The competition is increasing between domestic institutions and domestic and international educational institutions. Many business houses have also started their institutions to cater to their requirements. Some of the institutions are into collaboration with foreign institutions to meet the current situation. University of Mumbai has 354 affiliated colleges and 36 departments. The researcher compiled the information from the University site and found that there are total 163 colleges offering Commerce curriculum, 120 colleges Arts curriculum and 50 colleges Science curriculum. The number is increasing day by day. The website information needs to be updated as the figure shown is out dated. Mumbai University caters to students hailing from Mumbai, Navi Mumbai, Thane, Raigad, Sindhudurg and Ratnagiri. According to the Mumbai University Annual Report, 2005-2006, the number of colleges offering Arts, Science, Commerce in Greater Mumbai was 89 (Page 160,163 and 164).
Experts may argue that there is no threat to domestic educational institutions as the fees charged by them are very nominal; whereas the foreign or private institutions charge exorbitant fees and there will be few takers for such courses.

The institutions who charge high fees will surely make arrangements of final placements of successful candidates in well paid and well reputed companies. Banks are finding new means to sell their loans. Educational loans are available to students and that will take care of the fees and other allied expenses.

Enrollment of students to higher education, especially to the undergraduate courses is not very encouraging. This can be seen as a global phenomenon. The increase in number of Universities from developed countries like USA, UK, Australia, New Zealand and so on are coming to India to attract more number of Indian students to enroll themselves in their Universities. Like any other commercial sector, these universities are finding many ways to attract ‘customers’ to their courses. Each one is trying to adopt various marketing strategies like relaxation of sixteen years education to fifteen years and announcement of scholarships and endowments. These universities do have marketing teams who visit various countries. They invite the heads of the institutions to attend various seminars. An awareness programme is undertaken, whereby the team will explain the course content and how the teaching learning process takes place in their respective universities.

One of the universities from Canada hosted a get together in a star hotel in Mumbai in mid November, 2007. It looked like the launch of a new product by a commercial firm. The ambience was good and the hospitality arrangement was splendid. There was a presentation followed by a question answer session. The university’s location, climatic conditions, residential accommodation, proximity to USA, placements in ‘blue chip’ companies and promise of two years’ work permit to successful candidates were the points to be worth noted. The university believes in mixture of learning inside the class room as well as working in ‘real’ situation in every academic year. The presentation started with a warm note. It has approved Mumbai University’s curriculum for Commerce, Management and Information Technology. Students who have successfully
completed these courses with C Grade, which is converted to 60% in Indian Standard, are eligible to join the fourth year of graduation. There was invitation for teaching faculty as they have shortage of teaching staff especially subjects like Mathematics, Accountancy and Information Technology. The University does not have superannuation programme. There is no retirement age specified for the teaching staff.

Some of the Universities are following very novel ideas. One of the popular universities in US has Ratan Tata in its Board of Trustees. Amongst the enrollment of foreign students the composition of Indian students in American Universities is as high as 14%.

Amrita University, a leading university of South India has entered into collaboration with five universities of USA to chalk out courses and to conduct distance learning for prospective students. The American institutions are Carnegie Mellon and Cornell Universities, the State University of New York at Buffalo, and the University of California campuses at Berkeley and San Diego.

1.9. Liberalisation and Globalisation

Globalisation process is adopted as a part of reform policies by Government of India. The very objective of globalization is to make reforms that will lead the economy towards market orientation. In other words it is a means of an outward looking policy of economic development in place of inward looking one. Liberalisation thus can be interpreted as reduction in state control, removal of bureaucratic delays, and de licensing major sectors.

1.10. WTO and its Role in Trading System

The World Trade Organisation (WTO) is the only international body dealing with the rules of trade between nations. The three main purposes of WTO are:

1. Transparency- The concerned parties involved in trade negotiation should be well informed with all rules and policies.
2. Forum for Trade Negotiations- It serves as a forum for trade negotiations between its member countries.
3. Dispute Settlement- It has formulated rules and policies diligently to settle trade disputes if any between member countries.

The Principles of the trading system includes:
1. Trade without discrimination- A country should not discriminate between its trading partners. All are equal and granted “most favoured nation” (MFN) status. Whether it is a domestic or foreign product, it should be treated as “national product”.
2. Freer – with barriers coming down through negotiations
3. Predictable- foreign companies, investors and governments should be confident that trade barriers should not be raised arbitrarily.
4. More competitive – It advocates competitiveness by discouraging “unfair” practices such as export subsidies and dumping products at below cost to gain market share.
5. More beneficial for less developed countries- The system should give these countries more time to adjust, greater flexibility and special privileges.

1.11. The General Agreement on Trade in Services (GATS)

The elements of GATS are:
1. A frame work of general rules and disciplines.
2. Annex’s addressing special consideration relating to some Services sectors/Modes of Delivery, and national Schedules of Initial Commitments.

Supply of services is envisaged under four different modes:
Trade in services has been defined under GATS in terms of four modes of delivery viz.
1. Cross border Supply-a non resident service supplier supplying services across borders’into Members’ territory.
2. Consumption abroad-The freedom for a members’ Resident to purchase services in the territory for another member
3. Commercial presence-The opportunities for foreign services supplier’s to establish and expand a commercial presence on a member’s territory.
4. Presence of national persons- Entry and temporary stay in a Members’ territory of foreign individuals in order to supply services.

Basic Principles of GATS

1. Most favoured nation treatment- No discrimination amongst other members of the agreement in terms of treatment accorded to their service suppliers
2. National treatment-Foreign services and service suppliers to be treated no less favorably than nationals
3. Progressive Liberalisation- The process off liberalisation is irreversible because of binding commitments on the negotiated levels of market access.
4. Transparency- All policies related to barriers to market access and discriminatory restrictions by the members are to be notified.

The GATS has classified services sector into 12 categories, which are further subdivided into 160 subgroups.

Under the agreement each member has undertaken specific commitments in terms of market access (Article XVI) and national treatment (Article XVII). These are presented in the schedules of specific commitments on six service sector groups viz. business, communication, construction and related engineering, financial services, health and social services and tourism and travel related service.

Wharton University is planning to have courses made for Indian students. Nearly sixteen American universities signed an agreement with Indian Government to provide distance learning programme in selected subjects.

Thus the market for the education courses is increasing in multitude. There is lot of restriction and regulation put forth by Indian Government. This is the criticism leveled against India by the universities from other countries. It is not very clear how far and how long these restrictions can be implemented by the Government of India. Terms and conditions of GATS and WTO will surely force the Government to relax its policies
towards these universities. The researcher had an opportunity to read an abstract on Oman’s approach to establishment of private and foreign universities in the country to meet the need for educating its people as a part of social and economic reforms. It has adopted a proactive approach. It is permitting educational institutions from within and abroad to set up institutions in the country. It has started number of measures to ensure quality in education and makes them accountable for their activities in its country. The Indian government has to be proactive and Indian institutions, for survival, should be visionary and predict the challenges and should start adopting strategic measures.

No country therefore can stop the entry of foreign universities and also prevent the establishment of private universities. It has to be proactive. For the development of society and economy a healthy education environment is necessary. The problem in India is enrollment to the secondary education is as low as 40%. Indian population lives in rural areas. They nearly constitute 76% of population. The dropout in schools is due to poverty, illiteracy of parents, therefore, cannot help the ward in studies, and also the long distance, like 30 km., to travel to a secondary school. Majority of the drop outs are girls. It means that the ‘prospective customers’ are in urban India. Number of private run institutions may be aided or unaided, on minority status, are concentrated in urban areas.

This means that there is lot of competition to get quality students to one’s institution. The enrollment for Science and Arts stream is declining year after year. Domestic institutions are slowly shifting from contemporary courses to ‘marketable’ courses. The UGC also is supporting self funded courses to aided courses, thus making the education sector highly market oriented. The NDA Government appointed Ambani-Birla Committee to suggest reforms for educational sector. The committee recommended for ‘Corporate Environment’ in this sector. It suggested that there should be courses that have market value; the union activities should not be there in the campus; no new recruitment either in teaching or administrative staff. A course can be started but should be on self funded basis.
Government is planning to institute more number of central universities in many states. An article appeared in Times of India, Mumbai edition, dated 20/08/09, first page, reports that there is a threat of ‘high profiled’ faculty moving out of State Universities to the upcoming Central Universities. In the same edition, also a report is featured that teaching faculty of state run medical colleges prefer private colleges as they pay more salary.