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## **Education Sector in India**

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### **ABSTRACT:**

*The Indian education sector has been recognized as a “Sunrise Sector” for investment in the recent past. This recognition stems from the fact that the sector offers a huge untapped market in regulated and non-regulated segments due to low literacy rate, high concentration in urban areas and growing per capita income. The Government has also been proactively playing the role of facilitator in this sector.*

*The paper revolves around the facts of current education in India, Literacy levels, PPP, Online education, women education, and rural education.*

### **THE EDUCATION INDUSTRY – AN INTRODUCTION**

The education industry is expanding rapidly and its many businesses are eager for new talent, including experienced professionals and enthusiastic individuals just entering the workforce. The education industry can be described as the collection of organizations and businesses that provide products and services aimed at enhancing the quality of education in society.

*“The equation is simple: education is the most basic insurance against poverty. Education represents opportunity. At all ages, it empowers people with the knowledge, skills and confidence they need to shape a better future.”*

The importance of education in India was recognized by the founding fathers of the country and the subsequent governments, and as a result considerable importance has been given to literacy, school enrolment, institutions of higher education and technical education, over the decades ever since independence which is indicated from the following fact of Gandhiji:

*“Live as if you were to die tomorrow. Learn as if you were to live forever.”*

*- Mahatma Gandhi*

India’s aspirations to establish a knowledge society in the context of increasing globalization, is based on the assumption that higher and technical education essentially empowers people with the requisite competitive skills and knowledge. It has been realized that it is the quality of education that prepares one for all pursuits of life and in the absence of an acceptable level of quality, higher education becomes a mere formalism devoid of any purpose or substance.

As a result, from around the turn of the century, increasing attention has also been paid to quality and excellence in education.

Education in India is a term has broader significance. Education is a way to gather knowledge and enrich ones thought. It is the learning of knowledge, information and skills during the course of life. There is an array of educational opportunity at the informal level as well as formal level.

### **SNAPSHOT OF CURRENT EDUCATION SECTOR**

The rating agency estimated the Indian education market to be worth Rs.5.9 trillion in 2014-15 as against Rs.3.33 trillion in the 2011-12 financial year. “India’s young demographic would continue to benefit the sector even as protracted infrastructure upgrades and regulatory issues delay timely benefits,” said India Rating in its FY15 outlook for the sector. India has at least 250 million students in schools and some 27 million in higher education. The country has some 1.4 million schools and over 36,000 colleges and 700 universities.

- There are 45 technical institutes, 13 management institutes, 4 information technology institutes, 6 science and research institutes and 3 planning and architecture institutes
- As a percentage of GDP, expenditure on education has gone up from 2.9% in 2008-09 to 3.3% in 2013-14.
- Less than 1% of the \$38 bn of the Government spend on education was towards Capex
- The total literacy rate in India is 74.04% compared to the world average of 83.4%
- The female literacy rate is 65.46 % and male literacy rate is 82.14 %

### **HISTORY OF EDUCATION**

History of Education in India can be traced back to the ancient era. Education in Ancient India conforms to the third century BC. During that early period sages and scholars imparted education orally and after the introduction of alphabets writing developed on Palm leaves and barks of trees. In addition to that temples and community centers often



took the role of schools. Gradually the concept of Gurukul System originated. The Gurukul

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system of education is one of the oldest on earth. Gurukuls were traditional Hindu residential schools of learning. Another noticeable modification took place during the British period. Education in Modern India refers to the period of 18th century. The concept of school developed during this era. Every temple, mosque or village in country had schools. These schools guided students to read, write, arithmetic, theology, law, astronomy, metaphysics, ethics, medical science and religion. The style and content of Indian society during the 19th century witnessed a radical change. Women education was introduced and educational rights became a Fundamental Right for citizens of India. History of Education in India proves that the existing education system has been roughly modeled upon the British system.

### **GROWTH IN LITERACY LEVELS**

#### **☐ Increasing inclination**

In a country like India, literacy is the main foundation for social and economic growth. When the British rule ended in India in the year 1947 the literacy rate was just 12%. Over the years, India has changed socially, economically, and globally. After the 2011 census, literacy rate India 2011 was found to be 74.04%. Compared to the adult literacy rate here the youth literacy rate is about 9% higher. Though this seems like a very great accomplishment, it is still a matter of concern that still so many people in India cannot even read and write. The numbers of children who do not get education especially in the rural areas are still high. Though the government has made a law that every child under the age of 14 should get free education, the problem of illiteracy is still at large.

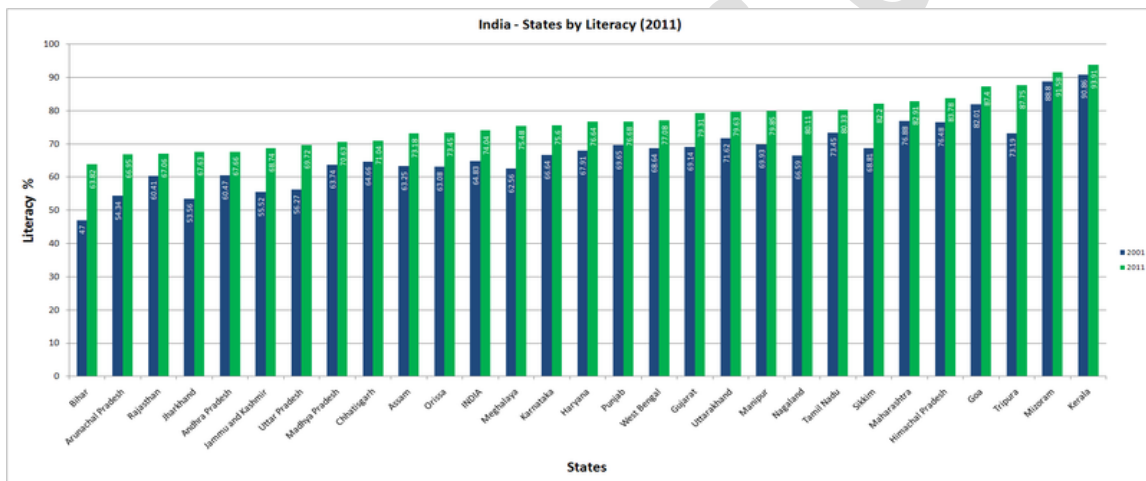
#### **☐ Female literacy**

Now, if we consider female literacy rate in India, then it is lower than the male literacy rate as many parents do not allow their female children to go to schools. They get married off at a young age instead. Though child marriage has been lowered to very low levels, it still happens. Many families, especially in rural areas believe that having a male child is better than having a baby girl. So the male child gets all the benefits. Today, the female literacy levels according to the Literacy Rate 2011 census are 65.46% where the male literacy rate is over 80%. The literacy rate in India has always been a matter of concern but many NGO initiatives and government ads, campaigns and programs are being held to spread awareness

amongst people about the importance of literacy. Also the government has made strict rules for female equality rights. India literacy rate has shown significant rise in the past 10 years.

☐ **State literacy levels**

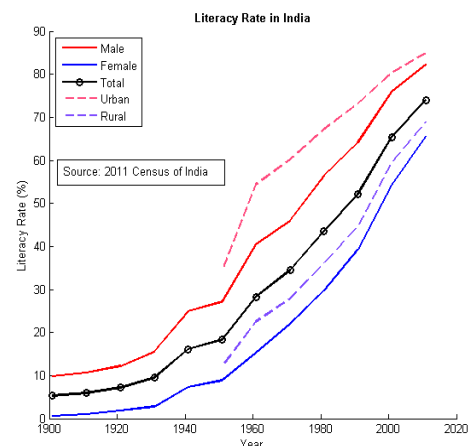
Here are some facts about different states literacy rate, Kerala is the only state in India to have 100% literacy rate. It is followed by Goa, Tripura, Mizoram, Himachal Pradesh, and Maharashtra, Sikkim. The lowest literacy rate in India is seen in the state of Bihar. We also need to think why is the literacy rate is low here in India compared to other developed countries. Basically the population in India is very high. Being the 7th largest country its population stands 2nd in the world after China. There are over 1 billion people in India. The number of schools and educational centers especially in rural areas is less. Even today many people are below the poverty line. Also people aren't aware that children should get free education according to the law.



Government of India has taken several measures to improve the literacy rate in villages and towns of India. State Governments has been directed to ensure and improve literacy rate in districts and villages where people are very poor. There has been a good improvement in literacy rate of India in last 10 years but there is still a long way to go.

**List of Steps taken by Government of India to improve Literacy Rate in India:**

- Free education programs to poor people living in villages and towns.



- Setting up of new school and colleges at district and state levels.
- Several committees have been formed to ensure proper utilization of funds allotted to improve literacy rate.

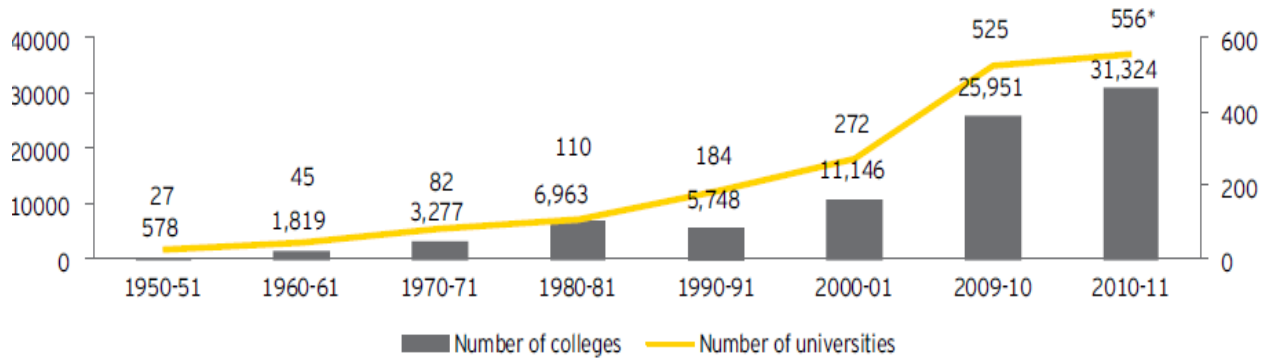
### ROLE OF HIGHER EDUCATION

	Formal Education	Technical & Professional Education	Skill Development	Vocational Training
<b>Composition</b>	<ul style="list-style-type: none"> <li>• Institutes of national importance</li> <li>• Universities</li> <li>• Colleges</li> <li>• Polytechnics</li> </ul>	<ul style="list-style-type: none"> <li>• Engineering colleges</li> <li>• Management Schools</li> <li>• Law, Medical, Pharmacy etc.</li> </ul>	<ul style="list-style-type: none"> <li>• ITIs</li> <li>• ITCs</li> <li>• Private Skill Development Centers</li> </ul>	<ul style="list-style-type: none"> <li>• Finishing schools</li> <li>• English training</li> <li>• Air hostess Academies</li> </ul>
<b>Key Regulators</b>	<ul style="list-style-type: none"> <li>• UGC</li> <li>• State Government</li> <li>• IGNOU</li> </ul>	<ul style="list-style-type: none"> <li>• AICTE</li> <li>• Bar Council of India</li> <li>• Medical Council of India</li> <li>• ICAI</li> </ul>	<ul style="list-style-type: none"> <li>• DGET incase of ITIs/ITCs</li> <li>• Unregulated for others</li> </ul>	<ul style="list-style-type: none"> <li>• No regulator</li> </ul>
<b>Accreditation bodies</b>	<ul style="list-style-type: none"> <li>• NAAC</li> </ul>	<ul style="list-style-type: none"> <li>• NBA</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>
<b>Key Players</b>	<ul style="list-style-type: none"> <li>• IITs/IIMs/IISc</li> <li>• Amity University</li> <li>• SRCC</li> </ul>	<ul style="list-style-type: none"> <li>• MDI Gurgaon</li> <li>• K.J. Somaiya College of Engineering</li> </ul>	<ul style="list-style-type: none"> <li>• ITIs/ITCs</li> <li>• Private centers</li> </ul>	<ul style="list-style-type: none"> <li>• VETA</li> <li>• Frankfinn</li> </ul>

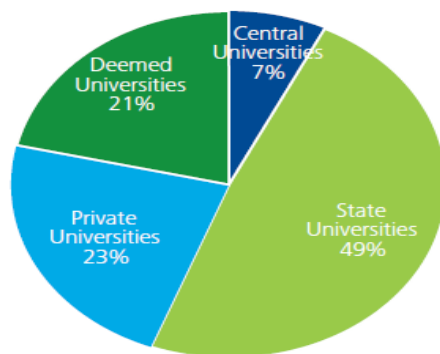
Today's students will become the leaders of tomorrow's education industry. Using a diverse skill set, ranging from business expertise to a deep understanding of education, visionaries have an opportunity to reshape the industry to better serve students of all ages. Higher education plays a vital role in accelerating the economic development of a country and making its citizens better skilled and more productive. Higher education makes it possible for people to learn how to create and use ideas and technologies to their advantage in a knowledge-based global economy.

There has been significant increase in the number of institutions and enrollment over the last few years. Individuals seeking a career in the education industry should be passionate advocates of change based on an understanding of the education market today. Higher education may result in higher income levels, greater tax revenues, increased entrepreneurial activities, and strong governance. Evidence suggests that higher education has a positive correlation with income level and quality of life for citizens in many countries.

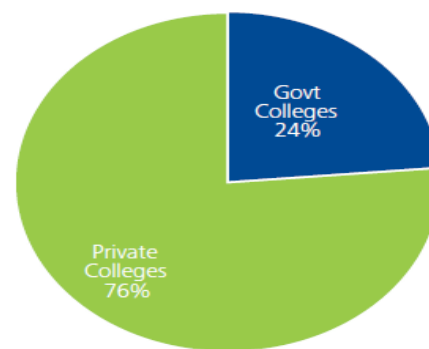
Higher education is the most significant sector of the Indian education market. 2006 higher education enrolment was 10.5 million students (a gross enrolment Ratio of 10%, which by 2010 had already increased to (12%), of which over 7 million attended private institutions. Drivers of private sector involvement in Indian higher education include unsatisfied demand



Total Universities 610



Total Colleges 33,023



due to a cap on public sector funding and rapid growth of the number of school leavers, together with individual drivers (labor market demand for higher level vocational degrees and high wage returns) and international drivers (a good return for private companies and the deregulation of markets).The Federation of Indian Chambers of Commerce & Industry (FICCI) believes that for-profit universities market share will continue to grow in coming years, while the numbers of not-for-profit universities will decline.

- It is suggested that a route for the private sector in higher education may lie in the establishment of a higher education institution which does not work under the auspices of the UGC. A strong brand and high quality provision is essential for the success of such an organization (e.g. the Indian School of Business). Certain subject areas have to be taught in an accredited institution, however, to enable the profession to be practiced (doctors, architects, lawyers and pharmacists), and attempts are being made to crack down on unregulated institutions.

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## **PRIVATIZATION OF EDUCATION SECTOR**

### **✎ Entry of private players**

Privatization: where, everyone wants a slice.

There are number of ways where private sector participates in education in both developed and developing countries. They include:

1. Contract schools.
2. Providing scholarships or vouchers for students to attend private schools.
3. Providing inputs into the educational process, building infrastructure such as school buildings.

As the proportion of students pursuing private education rises, there is a corresponding increase in private investment entering the sector. Due to privatization, schools have open up with various curricular activities other than just bookish knowledge like swimming, physical training, practical knowledge i.e. industrial visits and sports and most importantly they look after the health of students.

Various schools provide with nutritional breakfast and lunch too. Due to which guardians are not worried about and are ready to pay high amount for such facilities. The various institutes who provide the facilities are:

1. Podar International school.
2. Omkar International school.
3. And most importantly the largest school in the world is “City Montessori” school located in Lucknow city of Uttar Pradesh and has over 25000 students in grade levels ranging from Kindergarten to college where the students gain unbounded knowledge.

### **✎ Growing demand**

Demand for private education provision in India has risen sharply over the past decade, driven mainly by the growth of the aspirational middle classes and the continued criticism of the quality of public education. The private education sector in India is big business. The International Finance Corporation estimates that more than 90% of IT, engineering and management colleges in India are private. It adds that there are more than 1,200 private engineering colleges, 300 business schools and 140 private medical colleges, which in 2008 represented a combined market value of US\$7 billion.

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It can be also seen that parents even enroll their 3-5 years children in private schools paying an enormous amount of fees. Examples of private schools: Blooming Buds, Poddar, Tree House International and other branded private schools.

### **Foreign education**

The role of foreign education is growing and the long delayed-foreign educational institutional bills may become a law within a year. The bill includes changes to the accreditation process, penalties for fraudulent providers and rules under which foreign universities would be allowed to operate in India. Foreign universities would have to deposit a start-up fund of US\$11 million. They would be able to grant degrees, diplomas and equivalent awards, although not through distance learning. They would also be able to offer certificate courses without having to register under the Act.

### **Indian private schools**

Unlike many foreign private schools, Indian private schools tend to have poorer infrastructure and facilities than public schools, and their teachers receive less training. On the other hand, lower teacher salaries in private schools mean that pupil: teacher ratios tend to be lower and educational outcomes are correspondingly higher. This has led to questions about growing educational inequalities. Profit-making private secondary schools are not allowed in India; private, unaided schools may only be run by trusts or educational, charitable or religious societies. Infrastructure and services, however, can be leased by Private businesses to school trusts. Outsourcing training to private companies has also started to develop in recent years. According to an analysis by Credit Suisse, the high level of regulation against profit-making schools, combined with social resistance against schools with a profit motive, have resulted in large corporations avoiding the business of running schools. This has contributed to fragmentation and in the private schools sector which can be known from the piece of information:

*“The more I live, the more I learn. The more I learn, the more I realize, the less I know.”*

## **PUBLIC PRIVATE PARTNERSHIP**

The main rationale for developing public private partnerships (PPPs) in education is to maximize the potential for expanding equitable access to schooling and for improving



education outcomes, especially for marginalized groups. Specifically, we examine how contracts are used to hold all partners accountable and how contracts are designed to produce measurable improvements in education outcomes or performance. The analysis considers contracting as a distinct instrument from any other education accountability mechanisms. We define contracting as the process whereby a government procures education or education-related services of a defined quantity and quality at an agreed price from a specific provider. The agreement between the funder and the service provider is recorded in a contract and is valid for a specified period of time.

### **Arguments in favor of PPP:**

The theoretical literature on the topic suggests four positive outcomes of the private provision of public services:

- PPPs can create competition in the education market. The private sector can compete for students with the public sector. In turn, the public sector has an incentive to react to this competition by increasing the quality of the education that it provides.
- PPP contracts can be more flexible than most public sector arrangements. Generally, the public sector has less autonomy in hiring teachers and organizing schools than the private sector does. Public-private contracts can be a better fit between the supply of and demand for education. Flexibility in teacher contracting is one of the primary motivations for PPPs.
- Governments can choose private providers in PPP contracts by means of an open bidding process in which the government define specific requirements for the quality of education that it demands from the contractor. The contracts often include measurable outcomes and clauses that specify the condition to deliver a certain quality of education, and the contractor with the best or lowest cost proposal is then chosen. This one characteristic of the contract alone can raise the quality of education.
- PPP contracts can achieve an increased level of risk-sharing between the government and the private sector. This risk sharing is likely to increase efficiency in the delivery of services and, consequently, to induce the channeling of additional resources to the provision for education.

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**Arguments against PPP:**

- PPPs will lead to the privatization of education and thus will reduce the government's control over a public service.
- Increasing the educational choices available to students and their families may increase socioeconomic segregation if better prepared students end up self-selecting into high-quality schools, thus further improving their outcomes.
- PPPs will lead to poorer students being left behind in the deteriorating public schools that lose the support of more educated parents.

**ONLINE AND DISTANCE EDUCATION: MOVING TOWARDS A DIGITAL  
FUTURE**

The typical Indian classroom was once characterized by students sitting through hour-long teacher monologues. Now, technology is making life easier for both students and educators. Schools are increasingly adopting digital teaching solutions to engage with a generation of pupils well-versed with the likes of PlayStations and iPads, and trying to make the classroom environment more inclusive and participatory.

Technology makes the teaching-learning process very easy and interesting. For instance, if done with chalk, it would easily take half of the lecture to just draw a particular diagram on the blackboard. However, with the help of technology one can easily show how it really functions. This is where technology comes to our aid -- now a 3D model of the diagram can be shown. Instead of wasting precious time drawing the diagram on the blackboard, one can invest it in building the conceptual clarity of my students.

**ONLINE EDUCATION TECHNOLOGY**

Audio, Video, Computers, tablets and mobile devices, Blogging, Webcams, Whiteboards

**WOMEN EDUCATION**

Women can never see her children go uneducated. She will be most insistent upon sending her children to school be it even at the cost of her hobbies, interests or even stomach. This is because she appreciates the importance of education. So with an educated mother, we 'can safely assume that we have most effective motivator for the spread of education. The so-

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called' Filtration theory' fits very well into it. If we teach a woman, she acts as a filter to spread education among many others and as it is also said, *“You educate a man; you educate a man. You educate a woman; you educate a generation.”*

Woman belongs to a weaker section of the society because she suffers from many handicaps due to rigid, outdated social customs and religious practices. But an educated woman cannot be exploited easily. She is aware of her rights and will go any length to defend them. Having experienced problems herself, she understands the difficulties faced by other women. She is therefore more sympathetic to their cause. Women have a much lower literacy rate than men. Far fewer girls are enrolled in the schools, and many of them drop out. Conservative cultural attitudes prevent some girls from attending school.

### **RURAL EDUCATION**

India is a vast country with a large population of about 65 crores. About 90 per cent of the people live in villages. They are engaged in agriculture or small cottage industries, though there has been rapid expansion of facilities for education in the urban areas, the rural areas have remained neglected to a great extent. The main reason for such lopsided expansion has been the attitude of our rulers. As in other matters, the urban vocal population has in this matter as well been able to get the lion's share. Many Universities, Colleges and institutions of higher learning have been established in big urban centers and cosmopolitan cities. The villages and small towns have had to be contented with primary, middle and high schools, with certain exceptions of Intermediate Colleges and a few degree Colleges.

Education in rural India is plagued by many problems. Poor infrastructure, access difficulties, lack of financial support and poor quality of educators are a few of the most pressing of problems. The state and central government is trying to tackle these issues by pumping almost INR 310 billion (approx. USD 5.7 billion) into improving school infrastructure and recruiting teachers. There is also the Right to Education act enshrining the rights of all children to free and compulsory education. Quality mid-day meals are also attracting students and giving them the fuel they need for learning. These and other initiatives have over the past four years led to the increased enrollment and attendance levels in schools. The big question, however, is whether enrollment and attendance is the right barometer for evaluating

the progress of rural Indian education. In the mad search for numbers, has quality been ignored?

### Are They Learning?

गान्ना	खुश
मोरी	
पेर	झोला
आन्	खेत
कित्ता	
आग	मोर

31.4% of std. III children cannot read words in their own language.

Subraction	
52	76
- 24	- 47
48	75
- 29	- 37

70.1% of std. III children cannot solve a 2-digit subtraction problem

राजू नाम का एक लड़का था। उसकी एक बड़ी बहन व एक छोटा भाई था। उसका भाई गैंग के पाचा के सिद्यालय में पढ़ने जाता। वह खुब मेहनत करता था। उसकी बहन बहुत अच्छी खिलाडी थी। उसे लंबी दौड़ लगाना अच्छा लगता था। वे तीनों रोज़ साथ-साथ मौज़-मस्ती करते थे।

72.5% of std. V children cannot do a simple division problem

5	583
7	869

51.8% of the std. V children cannot read a std. II level text

**The Poverty Effect:** Secondly, families in rural India struggle to make ends meet. Their low income is hardly enough to cover daily supplies of food and shelter let alone education. Children are needed to work in fields, which eventually mean that they drop out of school, usually after their primary education. Also, more children in the age group of 5-14, whose parents are not educated, seem to be opting to go for work instead of staying in school (UNICEF report 2011). Clearly financial stability and awareness of the opportunities provided via a good education are big factor in ensuring continued education in these families.

The opportunities for improving rural education are endless. Governments must do their part, but NGOs and private-sector companies will play a vital part as well.

### SWOT ANALYSIS

#### Strengths:

- ✔ Huge demand – estimated 150 mn population in 18-23 age group
- ✔ Growing middle class with increasing incomes
- ✔ Growing economy with numerous employment opportunities
- ✔ Huge demand for Indian students in overseas markets
- ✔ Growing broadband market leading to increase in distance education opportunities

#### Weaknesses:

- ⊗ Lack of infrastructure
- ⊗ Shortage of trained faculty to meet the increased demand
- ⊗ Highly complex and unclear regulatory framework at Central and State level
- ⊗ “Not for profit” tag in formal education

**Opportunities:**

- ⊗ Unsaturated demand for quality global education
- ⊗ Low GER of 15% in Higher education as compared to 84% in USA
- ⊗ Sharp decline in dependency ratio predicted in the next 30 years
- ⊗ Increasing night schools from current figure of 210 night schools in Maharashtra which will provide increased income to faculty.
- ⊗ Opportunity for establishing blind schools so that people who are blind, and are keenly interested in education, will get the prospect to be educated.

**Threats:**

- ⊗ High time lag in introduction of reforms due to various reasons
- ⊗ Deterioration in quality of education specially in private sector due to lack of availability of trained faculty
- ⊗ Over regulation – Control over course curriculum, entrance tests, fees etc

**RECOMMENDATIONS**

1. Primary educations that pass all the students studying in Standard I to VIII standard without any efforts need to be regulated.
2. There should be more flexibility in disbursement of funds by the government.
3. The monitoring of private schools, in terms of ensuring a transparent admissions process, regulation of fee structures, as well as meeting minimum set standards for quality of teaching and infrastructure, also requires attention. The possibility of greater exchange between schools, including mentoring of one school by another, should be allowed and encouraged
4. School education must be made more relevant to the lives of children. There is need to move away from rote-learning to understanding concepts, developing good comprehension and communication skills and learning how to access knowledge independently. This also

requires substantial changes in the examination system, especially at Board level but also earlier.

5. Proficiency in English is widely perceived as an important avenue for employment and upward mobility, which also greatly facilitates the pursuit of higher education. The incorporation of English into the curriculum through the teaching of English as a language in class and teaching of one other subject in English medium in later classes requires making pedagogical changes to contextualize language learning, increasing the availability of English language teachers and providing more bilingual and supplementary teaching materials.
6. There are two aspects to ensuring the universalization of early schooling and pre-school education. First is the systematic extension of balwadis with trained staff to handle child pedagogy. The second is the provision for one year of pre-schooling in all institutions of elementary education. Both of these have implications for resource allocation and recruitment of the requisite staff.
7. The content of the syllabus should be updated regularly with the changing world.

#### **CONCLUSION:**

It is to conclude that what needs to be kept in mind that education helps mitigate the impact of global crisis such as climate change, food crisis and financial crisis. Education for sustainable management is a key to sustainable globalization. Education thus increases the likelihood that we may succeed in the long term which is known from the fact:

*“Intelligence plus character-that is the goal of true education.”*

Prime Minister [Manmohan Singh](#) stressed on the need to impart skills and world class education to the youth for a faster economic growth of the country stating,

*“To fulfill the demands of our fast growing economy, we have to make our youths educated and skilled. The hard fact is that without proper skilled manpower, we cannot sustain the fast pace of economic growth for long.”*

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*ii. Books*

- 📖 Experience and Education  
By John Dewey
- 📖 Envisioning the future  
By Pawan Agarwal