

FICCI Higher Education Summit
November 6, 2009, New Delhi

Welcome Address by Mr Harsh Pati Singhania, President, FICCI

Talking Points:

Hon'ble Union Minister, Shri Kapil Sibal

Prof Richard levin, President, Yale University

Mr Steven J White, Deputy Chief of Mission, Embassy of United States of America

Prof H S Ballal, Chairman, FICCI Higher Education Committee

Mr J S Neerav, Co-Chairman, FICCI Higher Education Committee

Dr Amit Mitra, Secretary General, FICCI

Ladies & Gentleman

It is my pleasure to welcome the Hon'ble Union Minister, Human Resource Development - Shri Kapil Sibal, the dynamic leader - responsible to bring education sector at the centre stage. Sir, you have induced excitement not only amongst the people of India but across the world and we applaud you for this.

We are also fortunate to have amidst us one of the leaders of American higher education, an eminent economist and an advocate of the role of higher education in responding to the challenges of sustainable development- **Prof Richard levin**, President, Yale University.

I am also happy to welcome the large numbers of Indian and foreign Universities and Higher Education Institutions from USA-our partner country, Scotland through Scottish Development International our Partner organization and several other countries.

Friends, the demographic advantage that India is bestowed with, would bear results in future only if we empower our youth with knowledge and appropriate skill. The world is looking at India as the future stock of skilled and semi-skilled human resource. We would not only have to cater to the global demand but also serve our own domestic needs. The industry has been complaining for some time now about the skill shortages and skill gaps. A recent FICCI- World Bank-MHRD survey conducted in September-October 2009 reveals that 64% of the employers are not satisfied with the quality of engineering graduates.

China on the other hand has been strategically working towards revamping its education sector since last two decades and has raced past India in most education parameters. Our Gross Enrolment Ratio is half of that of China; total global R&D spending is a dismal 3.7% as compared to 18% of China's spending, total number of researchers is a seventh of the number of researchers in China so on and so forth. Friends, we need to leap frog the reforms in education sector in order to remain globally competitive.

As we have seen in spite of nine fold increase in the public spending in XIth plan, there is a deficit Rs 2.2 Trillion to meet the Government's expansion plans. To reach the GER of 30% by 2020, it's needless to say that private sector investment would contribute majorly in the expansion process. We need to identify innovative partnership models through a standardised institutional framework to provide the right impetus to the sector.

Sir, the theme of this Conference rightly spells out expansion, inclusion and excellence as the imperatives for growth of higher education. According to the FICCI E&Y Study financial innovation, Information and Communication Technology (ICT) Vocational Education and Training (VET), regulatory reforms and research would be the key change agents. I take this opportunity to suggest some key reforms in these areas that will make Indian higher education sector future ready:

Financial Innovation would not only address the expansion and inclusion issue but also induce excellence in the sector. To achieve this government needs to facilitate:

- Rationalizing of fee structure by creating a robust financing system through public and industry sponsored scholarships and accessible student loans.
- Providing 125% weighted tax deduction to all endowments to recognized universities
- Initiating academic reforms to attract foreign students through credit transfers between Indian and foreign institutions
- Facilitating higher education institutions to identify and develop innovative sources of funding such as monetization of Intellectual Property, consulting, and utilization of existing infrastructure and land.

Integrating ICT in higher education would further allow spearheading expansion and inclusion while bringing quality education within reach of students from rural and remote areas. For effective utilization of ICT, we urge the government to

- Expedite creation of high speed knowledge network to provide connectivity across education institutes
- Incentivise reputed public and private institution to develop digital content while ensuring quality assurance through peers/students rating. Also ensure translation of the content into local language and making it freely available to all Higher Education Institutions
- Create a common repository of digitized content and make it readily accessible to all recognized Higher Education Institutions at a nominal cost.

Mainstreaming Vocational Education is critical to expansion and inclusion of 85% of Indian youth into the higher education system. We recommend

- The regulatory structure to be streamlined to facilitate a centralised policy for all VET under MHRD, Gol. State Governments should be responsible for operations.
- Creating credit system transferable to mainstream education that will help in attracting quality students to VET and also build linkages between VET and higher education.

- Quality certification/accreditation to be undertaken by an independent agency which is recognized by the government.

- Greater academic and financial autonomy should be provided to public VET centres to align their programs to the local need and upgrade their infrastructure and faculty.

Invigorating research in the Indian higher education institutions/universities is of utmost importance in order to retain our global competitiveness. Our recommendation is to

- Incentivise research in universities while creating an enabling environment for researchers, greater budgets and access to better infrastructure.

- Promote and facilitate launch of innovative research programs, provision of attractive scholarships and enhanced industry participation to increase the number and quality of doctoral students

- Facilitate linkages between existing Research Laboratories and universities and ensure further expansion of research labs are in universities

- Make a quantum increase in research grants and award these grants through a transparent process allowing both public and private universities to compete for these grants.

At this juncture, I would like to inform that FICCI has collaborated with IC2 Institute, University of Texas, Austin through which we are offering commercialization of innovation services to innovators thereby filling in the lacuna of having no connectivity between minds to market. This initiative leads innovators to commercialize their services. Dr Robert A Peterson, Vice President from IC2 Institute, I believe the only university that offers commercialization on innovation is present here and would like them to collaborate with appropriate Indian universities to offer this facility.

Last but not the least, regulatory reforms are essential to provide a conducive environment for the entry and growth of large number of quality higher education institutions thereby ensuring inclusion and promoting excellence through competition. We urge the government to

- Expedite the creation of single independent regulatory authority for higher education in India along the lines of Higher Education Funding Council for England (HEFCE), UK creating a three tiered structure, where in the Government decides the overall goals, regulators provides the detailed policy framework and universities operationalize under the given scope.

- Facilitate and promote institutional autonomy in Higher Education Institutions

- Introduce greater transparency and disclosure systems by creating a standard return prescribed for all higher education institutions and make it mandatory to publish it in the institution's and education regulator's websites.

- Allow Section 25 companies to operate in higher education there by providing greater flexibility and allowing to avail benefits of a corporate form of organisation

- Encourage entry of high quality foreign universities

In the context of foreign education providers, I am happy to note that this Government has definite plans to encourage collaborations with quality foreign education providers for mutual benefits. We understand that the foreign education Providers Bill is going to be tabled in the winter session.

Further, as you may be aware about Hon'ble Minister's recent US visit to USA to identify areas and partners for the upcoming 14 Innovation Universities. FICCI delegation comprising leading private universities like Manipal University, BITS Pilani, Thapar University, Delhi Technological University, Symbiosis International University and many more had accompanied the minister in his 6 day tour in the US where we visited the World class Universities like Yale, Harvard, MIT and Georgetown universities. Sir, I am happy to inform you that it was indeed a learning experience for our members and there would be definitely many MOU's emerging out of this visit.

Further, may I take this opportunity to mention that FICCI appreciates the Ministry's proposal to set up an institutional arrangement between US and India in the form of Indo-US Education Council (IUSEC) for cooperation in the field of education and training and would like to support the Ministry by providing assistance by way of running the secretariat for the Council. Sir, you may be aware that FICCI has recently signed an agreement with the Ministry of Industry to set up India Invest a Joint venture with the Ministry with 51% equity share. India Invest with the support of MHRD will offer support to other foreign universities and institutions for tie-ups with Indian higher education institutions. We look forward to your kind support to take this forward.

Friends, this conference aims at bringing together galaxy of eminent speakers from India & abroad, each a specialist in his or her area, to deliberate and evolve new dimensions to the issues I have raised. Ladies and Gentleman, the recommendation emerging from the discussions will be presented to the Government in the form of an action plan. I am delighted to once again welcome each one of you to this Summit.

Thank you.