

ROLE OF INSTITUTIONS IN MANAGING SOCIAL SECTOR: A PERSPECTIVE ON EDUCATION IN GUJARAT

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ABSTRACT

The paper discusses the role of quality institutions in the development and progress of the social sector. A case of the education sector in Gujarat is considered for driving home the point that good institutions can help produce more efficient results for the economy in terms of faster economic development. The study concludes that, despite decent achievements, the quality and quantum of objectives achieved are still far from desirable levels and are well short of the gains which would have been made with good quality of institutions. Thus, it is further desirable to focus on taking initiatives for making institutions stronger for more efficient transformation of efforts into improving education quality and standards for economic development in India.

Keywords: Institutional Economics, Higher Education

INTRODUCTION

It is evident that all nations have made significant gains in achieving Millennium Development Goals (MDGs). However, most of the Asian underdeveloped nations still face tremendous challenges, like most of the developing world nations, in furthering goals of MDGs and Sustainable development goals (SDGs). The paper discusses the role of quality institutions in the development and progress of the social sector. A case of the education sector in Gujarat is considered for driving home the point that good institutions can help produce more efficient results for the economy in terms of faster economic development. It discusses the progress made in the education sector in one of the districts in the Indian state of Gujarat due to improved initiatives of government while implementing the education policy. Also, the paper discusses the present status of higher education relating to education of Business management in view of the need of good institutions for achieving faster economic development and improving the well being and welfare of the population. Thus a positive trigger in the form of government involvement has been studied and how gains in education sector have been made in the state.

THE IMPORTANCE OF GOOD

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INSTITUTIONS

The ultimate goal of every nation is development. When economies evolve, there is social and economic development of people. Modernization, Globalization, Deregulation, Privatization and Development are interrelated. There is correlation, but the causation runs in both the directions. One of the schools of thought that try to identify a factor that causes development is "Institutional Economics". The founders of this theory extended the neo classical theory and included Institutions as a means for attaining growth. Later a new perspective of Transaction Costs and Information Costs came in view and this branch of economics came to be known as "New Institutional Economics". Even the theory of economic development of 'Take - off' has stressed the need and emergence of institutional framework - political, social and economic institutions, which replicate success achieved in leading sector of the economy to other industries and sectors of the economy to give an ongoing character to the process of economic development.

Development (both Social and Economic) is critical for all nations. Even similar looking nations differ greatly in their economic, political and social development. Also neither History nor Geography makes countries economically sound. Otherwise countries which are blessed with huge crude oil reserves like Iraq would be amongst the developed part of the world. History and Geography are neither definitive nor destiny.

Since we know that neither Geography nor Regions define development, the question is then

what causes development. One of the disciplines which tries to answer this problem of inequality in development despite being similar (in terms of history, geography, culture or weather) is "*Institutional Economics*".

According to North (1990) "Institutions are rules of the game in a society or, more formally, are the humanly devised constraints that shape human interaction". Institutions are rules. Rules are means of economizing interaction (transactions). They are a major determinant of economic performance and a key factor in understanding the vast cross country differences in prosperity. Thorstein Veblen's essay *Why is Economics not an Evolutionary Science*, was a work which dwelt on Neo Classical Economics and supported "*Institutionalism*". According to Institutionalism, the relationship between the individual and the economy is not one way. Human preferences and motives are not entirely determined by individual cognition. Human preferences are shaped by institutions and institutions are the outcomes of individual behavior. Causation runs in both the directions.

Another economist commonly associated with the institutional school was John R. Commons, known for his labour research. He theorized that there are various groups in an economy and collectively they act within a system of continually evolving institutions and laws.

New institutional economics (NIE) is an economic perspective that attempts to extend economics by focusing on the social and legal norms and rules (which are institutions) that underlie economic activity and with analysis beyond earlier institutional economics and neoclassical economics. Neo-institutionalism recommends a strong State but limited in its functions. The role of the state is to guarantee efficiency in the functioning of the markets.

According to Coase (1997), Economists have never considered until recently the role that institutions play in the working of the economic system. In fact, institutions determine the way in which the economic system operates. The old institutionalists were concerned with *describing* institutions rather than with *analyzing* them, that's basically the difference between (old) Institutional Economics and NIE.

The idea of *Institutions* being one of the explanatory factors causing economic development dates back to the times of Adam

Smith where he talks about some relationship between Development and Institutions in his book "The Wealth of Nations" which was published in 1776. Institutions and Institutional Framework were always considered important but their causality to economic development was never established. Actually causality runs in both the directions. Economic Development leads to sound Institutions and it is vice versa too.

The term "Institutionalism" largely means that it is not past or richness of nations that causes development but it is their Institutional Development (sometimes based on very accidental circumstances) that have had enormous consequences on their economic and social growth. As mentioned earlier, there is correlation between institutional development and economic development but correlation does not mean causation here. The ultimate goal of each nation is "welfare" of its people. Social Development will happen once the goal of economic development is achieved. One reason why development community is fostering legal, financial, social, economic and judicial reform is the belief that beyond their intrinsic worth, such reforms will help improve their socioeconomic performance.

The recent **Global Competitiveness Index 2014-2015** published by **World Economic Forum** defines competitiveness as the set of institutions, policies, and factors that determine the level of productivity of a country. The level of prosperity of an economy and the rate of return on an investment (and ultimately the growth rate) depends on the level of productivity.

The literature on Institutional Economics divides Institutions into *Formal Institutions* like Rule of Law, Property, Constitution and Contractual Rights, and *Informal Institutions* like Social and Economic Norms, and Transaction and Information costs of enforcement. New Institutional Economics as a discipline also makes distinction between "*Institutions*" and "*Institutional Environment*". Both are important for development to take place. The Institutional environment is determined by the legal and administrative framework within which individuals, firms, and governments interact and generate wealth. It is important that the Institutional Environment is fair and just. This is all the more critical during the recent situations of financial and economic crisis. Because of Globalization, now no country can remain isolated and the state has a bigger role to play at

International level to solidify the recovery. The attitude of the Government towards markets and its smooth functioning is critical for business development. Red tape, corruption, dishonesty, lack of trust in contracting, lack of transparency, poor or inadequate services (by public and private sector), and dependence of judiciary on the political system will all slow the process of economic development and hamper smooth functioning of economy.

PROMOTING EDUCATION

Overall education levels in terms of access, standards and its quality are important determinants of development in a country. The adoption of the United Nation's Millennium Development Goals (MDGs) outline a set of eight development goals, 18 targets and 48 measurable indicators to combat poverty, hunger, illiteracy, gender inequality, diseases and environmental degradation. This indicates a common resolve among all the member nations of the United Nations to overcome principal challenges faced by mankind in its efforts for economic development globally. With the deadline set at the end of 2015, the MDGs seek to ensure a time-bound accelerated pace of development in identified areas of immediate attention. In India as well, great efforts are being made to make a faster progress to achieve MDGs. The governments across countries have made extensive plans, programmes and implemented them aggressively to meet the deadline to achieve these goals. Various studies have documented success in efforts to achieve MDGs in India and South Asia and countries in other world economies (Joshi Yogesh C. 2006, and other studies). It is evident that with the spread of education positive effect in terms of improved achievements can be made in achieving various MDGs' as well as Sustainable development goals (SDGs). This is on account of positive relationship between educational achievements and various social and economic objectives.

The World Bank (2014) has reported that Gujarat has a body for coordination and quality improvement initiatives in higher education entitled the Gujarat Knowledge Consortium. Though not similar to the State Higher Education Councils in other states in terms of legal structure and functions, the Gujarat Knowledge Consortium is the main body apart from the State Higher Education Department that is involved in all higher education activities. The Knowledge Consortium has been established by the Higher

Education Department through an Executive Order as a body that mainly takes steps to advance higher education in the state. The Advisory Committee is a 49 member body consisting of representatives from Universities, expert members from education and reputed national institutions of Gujarat. The Consortium is headed by the Minister of Education (Chairman) and the Vice Chairman (Advisor to Minister of Education). The Consortium also has representation of the Vice Chancellors of 22 universities, Heads of Specialized Universities, Institutes of National Importance and research institutions (located in Gujarat). It also includes representation from the industry through Presidents of seven industrial/commercial associations from the state. The world Bank report stated that based on the findings of the interviews with multiple stakeholders, it was found that the Knowledge Consortium is merely a body to perform certain activities which ideally should be performed by either the State higher education department or by the institutions themselves. There seems to be a clear lack of clarity and understanding of the role that is expected of the Consortium. Therefore, there is a strong case for Gujarat Knowledge Consortium to revisit some of its aims and objectives which are at variance with the proposed objectives of the State higher education Council.

In order to assess improvement in education a case of Panchmahal district from Gujarat has been taken to stress improvements achieved and further, changing scenario in higher education in business management discipline in Gujarat has been considered to drive home the fact that good institutions are needed to further higher efficiency in the area of education in the state. Improved education standards and quality in the state will further aid in achieving MDGs and SDGs relating to social and economic objectives faster in the state.

Not merely education but quality education is a very important factor determining social, economic and political transformation. A well educated population, with skills, knowledge and attitude is essential for economic and social development in any country. In India as well education is the most potent tool for socioeconomic mobility and a key instrument for building an equitable and just society in accordance with Constitution of the country. It provides skill and competency for well-being in a society. Education strengthens all round capabilities among citizens, the tools needed to

fully participate in economic and governance processes. Recognising the importance of education in national development, the Twelfth Plan places an unprecedented focus on the expansion of higher education, on significantly improving the quality of education imparted and on ensuring that educational opportunities are available to all segments inhabiting all regions of the country in the society.

Accordingly, due to inherent importance of education, public spending on education increased considerably during the Eleventh five year Plan period in India. Education expenditure as a percentage of gross domestic product (GDP) rose from 3.3 per cent in 2004–05 to over 4 per cent in 2011–12. Per capita public expenditure on education increased from Rs. 888 in 2004–05 to Rs. 2,985 in 2011–12 (Twelfth Five year Plan, Social Sector).

The bulk of public spending on education is incurred by the State Governments, which increased by a robust rate of 19.6 per cent per year during the Eleventh Plan. Central spending on education increased even faster at 25 per cent per

education was incurred for elementary education, 25 per cent for secondary education and the balance 32 per cent for higher education. About half of the Central Government's expenditure was incurred for higher education and the remaining for elementary (39 per cent) and secondary (12 per cent) education. In the State sector, about 75 per cent of education expenditure is for school education, of which 44 per cent is on elementary education and 30 per cent on secondary education (Twelfth Five year Plan, Social Sector, GOI).

EDUCATION IN PANCHMAHAL DISTRICT OF GUJARAT:

As per Census 2011, out of total 26 districts of Gujarat state, Panchmahal was ranked 22nd in literacy rate. It is ranked 18th in male literacy and 24th in female literacy among the districts of the state. Thus, poor literacy among female contributes to overall poor ranking of Panchmahal compared to other districts in the state. As compared to increase in literacy rate among the males, there was more increased literacy rate among female. But still as compared to literacy rate among the females in the state,

Table 1: Literacy Status of Panchmahal District

Education Status	Panchmahal District		Gujarat State	
	2001	2011	2001	2011
Literacy Rate (per cent)	60.92	70.99	69.14	78.03
Male Literacy (per cent)	75.91	82.51	79.66	85.75
Female Literacy (per cent)	44.94	58.89	57.80	69.68
Gap (Male & Female)	30.97	23.62	21.86	16.07
Literates in nos.	10,25,835	14,40,805	2,98,27,750	4,10,93,358
Male Literates in nos.	6,59,346	8,58,054	17,833,273	2,34,74,873
Female Literates in nos.	3,66,489	5,85,751	1,19,94,477	1,76,18,485

Source: <http://www.census2011.co.in>

year during the same period. Aggregate public spending on education during the Eleventh Plan period is estimated at Rs. 12,44,797 crore for both the Centre and States taken together. Of this, 35 per cent was accounted for by Plan expenditure and 65 per cent by non-Plan expenditure. About 43 per cent of the public expenditure on

literacy rate among the female in Panchmahal district is found to be less. The literacy gap between male and females has decreased in 2011 compared to 2001 in Panchmahal but still it is considerably higher compared to average gap in state. It indicates less literacy among females in the district.

Table 2: Taluka wise Literacy Rate in Panchmahal: 2011 (in per cent)

Taluka	Rural			Urban			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Ghoghamba	70.99	45.09	58.26	--	--	--	70.99	45.09	58.26
Godhra	83.03	55.60	69.58	92.15	81.99	87.23	86.33	65.01	75.92
Halol	78.66	53.71	66.60	90.86	80.19	85.76	82.02	60.88	71.83
Jambughoda	76.47	51.02	64.00	--	--	--	76.47	51.02	64.00
Kadana	80.44	55.29	68.17	--	--	--	80.44	55.29	68.17
Kalol	84.45	59.70	72.51	93.21	81.22	87.39	85.78	63.01	74.79
Khanpur	89.59	55.07	68.08	--	--	--	89.59	55.07	68.08
Lunawada	85.02	61.19	73.41	93.19	83.32	88.43	86.23	64.39	75.60
Morva	81.84	54.07	68.10	--	--	--	81.84	54.07	68.10
Santrampur	81.18	58.78	70.23	91.98	78.03	84.99	91.58	78.03	84.99
Shehera	83.05	55.80	69.77	91.43	70.49	81.31	83.62	56.78	70.55
Panchmahal	80.89	55.24	68.36	92.05	80.87	86.65	82.51	58.89	70.99

Source: Population Census -20011

Note: Box without data shows no-urban population in those Talukas

The above table 2 presents taluka wise literacy rate among male and female population of rural and urban population in Panchmahal in 2011. It can be seen from the table that rural literacy rate is remarkably less than urban areas. The literacy rate among the females is almost half as compared to male literacy in rural areas. However, in urban areas literacy gap between male and female is less compared to rural areas.

rural and urban areas of the district. Education being a strong determinant of human development and empowerment it is imperative to focus on the spread of literacy in rural talukas and especially among female population in the district. Thus, there is a need for reducing literacy disparities among rural and urban and male and female in the district by further strengthening important initiatives like mission mode and

Table 3: Enrolment at Government and Private Schools (2011-12) (numbers)

School Category	Total Enrolment		Rural Enrolment	
	Government	Private	Government	Private
Primary Only	67,311	5,030	65,010	2,913
Primary + Upper Primary	275,844	35,147	2,56,419	8,787
Upper Primary only	675	3,307	510	1,879

Source: District Elementary Education Report Card 2011-12, NUEPA.

There are six talukas which have only urban population and among them literacy rate is more than 90 per cent for male and among female population literacy rate is 75 to 80 per cent, approximately. There are only three talukas having literacy rate more than 70 per cent, namely Kalol (72.51), Lunawada (73.41) and Santrampur (70.23). Thus, there is a noticeable gap in literacy rate among different talukas as well as between

flagship programmes related to education among population.

The table 3 indicates data on Enrolment in Government and Private Schools in the year 2011-12. A perusal of table 3 reveals that a majority of students are enrolled in government schools both in urban and rural areas. Private schools have a relatively small presence and the government schools cater to the needs of providing school

Table 4: Gross Enrolment Ratio and Net Enrolment Ratio (2009-10 to 2011-12)

Enrolment Indicators	2009-10	2010-11	2011-12
Gross Enrolment Ratio (Pri.)	132.20	130.10	N.A.
Net Enrolment Ratio (Pri.)	100.00	87.80	N.A.
Gross Enrolment Ratio (U. Pri.)	67.40	76.10	N.A.
Net Enrolment Ratio (U.Pri.)	51.30	48.90	N.A.

Source: District Elementary Education Report Card 2011-12, NUEPA.

Table 6: Number of Government and Private Schools (2011-12)

School Category	Total Schools		Rural Schools	
	Government	Private	Government	Private
Primary Only	1,150 (95.59%)	53 (4.41%)	1,125 (93.52%)	36 (2.99%)
Primary + Upper Primary	1,271 (92.03%)	110 (7.97%)	1,211 (87.69%)	43 (3.11%)
Primary + Upper Primary + Secondary and Higher Secondary	0	0	0	0
Upper Primary only	07 (24.14%)	22 (75.86%)	04 (13.79%)	14 (48.28%)
Upper Primary+ Secondary and Higher Secondary	0	0	0	0

Source: District Elementary Education Report Card, 2011-12, NUEPA; % are from total schools.

Table 7: Year wise detail of Primary & Higher Educational Institutes at Panchmahal District (in numbers)

Year	Primary Schools	Secondary Schools	Higher secondary Schools	College	others	Total
2001-02	2151	280	116	0	2	2549
2003-04	2181	327	76	17	2	2603
2005-06	2276	298	109	17	2	2702
2006-07	2321	304	109	17	2	2736
2007-08	2344	309	129	24	2	2806
2008-09	2187	307	146	26	2	2668
2009-10	2370	300	141	26	2	2839
2011-12	2608	311	149	26	2	3096

Source: District Statistic Outline, District Statistical Office, Panchmahal, Godhra 2011-12.

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primary level in the district. It clearly shows that net enrolment is considerably lower in both primary as well as upper primary schools in the district. It indicates that a lot of efforts are required for universalisation of primary and upper primary education in the district.

Table 5 shows data on enrolment among SC, ST and OBC population in primary and upper primary classes. A perusal of table 2.7 indicates that girl enrolment in SC, ST and OBC are lower than overall enrolment of students among SC, ST and OBC.

Table 5: SC, ST& OBC Enrolment (2011-12)

Enrolment Indicators	Primary	U. Primary
% SC Enrolment	3.70	3.10
% SC Girls to SC enrolment	46.70	47.20
% ST enrolment	34.60	31.20
% ST Girls to ST enrolment	47.90	48.90
% of OBS enrolment	52.90	54.60
% OBS Girls to OBC enrolment	47.60	47.60

Source: District Elementary Education Report Card 2011-12, NUEPA.

ACCESS TO EDUCATION

Various indicators like total number of primary schools, secondary schools higher secondary, colleges, other educational institutes, number of villages without schools and total number of students at all levels of education give the status regarding availability and accessibility of education and related infrastructure in the district.

Table 6 provides data on number of government and private schools during 2011-12 in the district. Table 6 shows that government schools constitute majority of schools in the district, while private schools are very less compared to government schools in the district. Obviously, government schools are more in number as the district is a rural district and urban areas are very less.

It can be seen from table 7 that primary schools have increased from 2151 to 2608 during the last ten years. Even the number of secondary schools increased in the last ten years in Panchmahal district. However, Panchmahal district still needs more number of colleges, including Colleges of Arts, Commerce, Science, Education, Industrial Training etc.

Table 8 provides data on the number of SC and ST students in the primary schools in Panchmahal district. Table 8 shows that in case of Scheduled tribe students and Scheduled caste students, there is a little gap among girls and boys student numbers. As compared to boys less number of girls students are enrolled.

It is instrumental in determining creation and adoption of new technology by the country. Research and innovation are directly related to the quality of higher education in the country. Thus, higher education and its quality is a reflection of the nature of a society and its capabilities.

Table 8: Number of SC and ST students in Primary School 2010-2012

Comparison	Primary					
	Scheduled caste students (in Nos.)			Scheduled tribe students (in Nos.)		
	Boys	Girls	Total	Boys	Girls	Total
2010-2011	7129	6946	14075	68324	64916	133240
Panchmahal	50.65%	49.35%	100%	51%	49%	100%
2011-2012	5410	4749	10159	49585	45520	95105
Panchmahal	53.25%	46.75%	100%	52.13%	47.87%	100%

Source: Statistical Abstract of Gujarat State, 2010, 2011, 2012.

Thus, it is clear from table 1 to table 8 that with more focused policies and accountable institutional support in the Panchmahal district in Gujarat state of India has made excellent strides in education achievements. However, greater efficiency in improving education spread to 100% population and improving standards are further required to meet required standards in education to need of the economy. The responsible government, in particular the local government initiatives, have led to faster achievement in education related indicators in the district. It is worth emphasizing that Panchmahal district is one of the backward districts in the state of Gujarat. Further it can be seen from tables above that with better quality institutions responsible for implementation of policy and managing education sector greater achievements were possible.

HIGHER EDUCATION

Higher education is critical for developing a modern economy, a just society and a vibrant polity. Higher education allows people to acquire specialized skills to undertake technical and professional task for the purpose of nation building. It equips young people with skills relevant to take up any assignment relevant in the economy and the opportunity for social mobility. It provides people already in employment to negotiate rapidly evolving career requirements. It inculcates responsibility among citizens who value a democratic and pluralistic society. Thus, the nation creates a pool of quality human capital to meet the country's needs and shapes its future.

Despite considerable progress during the Eleventh Plan, less than one-fifth of the estimated 120 million potential students are enrolled in higher education institutions in India, which is well below the world average of 26 per cent. Wide disparities exist in enrolment percentages among the States and between urban and rural areas while disadvantaged sections of society and women have significantly lower enrolments than the national average. The pressure to increase access to affordable education is steadily increasing with the number of eligible students set to double by 2020 (XII plan, Higher education).

The Twelfth five year plans objectives are in continuation of the efforts made during the Eleventh Plan and focus on the 'Three Es' – expansion, equity and excellence. However, the Plan proposes a paradigm change in the way these goals are to be achieved – through three new principles. First, an overriding emphasis will be given to quality – as further expansion without quality improvement would be counter-productive for the future development of India. Second, the Plan strives to diversify higher education opportunities, not only to meet needs of employers, but also to offer a wide range of paths to success for students. India is required to develop world-class quality research universities as well as teaching institutions to impart key vocational and generic skills in a timely manner to meet rapidly changing labour market needs and economic needs. Third, this excellence in diversity will be implemented through governance reforms, to enable institutions to have

the autonomy to develop distinctive strengths, while being held accountable for ensuring quality. Hence, the Twelfth Plan adopts a holistic approach to the issues of expansion, equity and excellence to enable and accommodate larger number of students, providing them diverse choices of subjects, levels and institutions while ensuring a minimum standard of academic quality and providing the opportunity to secure higher education to all sections of society, particularly the disadvantaged in urban and rural areas alike.

These objectives provide for guiding the development of all three segments of higher education: Central institutions, which account for 2.6 per cent of the total enrolment; State institutions which account for 38.5 per cent of enrolment; and private institutions that cater to the remaining students (XII Plan, Higher Education, Social Sectors). All three segments have to succeed in order to fulfill the needs of the economy in the coming decades. This can be done only by creating additional capacity and ensuring equal access opportunities. All three segments are to be provided with enabling environment and facilities to ensure quality of teaching-learning, attain excellence in research, and contribute to economic development.

The challenges faced in the area of higher education are many, however they have to be faced and overcome. According to the data given in the plan private institutions account for 64 per cent of the total number of institutions in higher education and 59 per cent of enrolment compared to 43 per cent and 33 per cent respectively around 2002. The Government has also given the required thrust to the sector in its Five Year Plans. During the Eleventh Plan period (2007-2012), India achieved a Gross Enrolments Ratio (GER) of 17.9 per cent, up from 12.3 per cent at the beginning of the Plan period.

In India the higher education system faces challenges which can be presented and classified in three categories. The challenges emerge from objectives itself, namely expansion, excellence and equity while providing for higher education in the country. According to the data, India's Gross Enrolment Ratio of 16 per cent was much below the world average of 27 per cent, as well as that of other emerging countries such as China 26 per cent and Brazil 36 per cent in 2010. On the other hand achieving excellence and quality is severely hampered due to faculty shortage - there is 40 per cent and 35 per cent shortage of faculty

in state and central universities, respectively while a majority of private institutions have a shortage of requisite number of faculty and this shortage is more acute in terms of senior faculty. The number of accredited institutions - 62 per cent of universities and 90 per cent of colleges were average or below average in 2010, on the basis of their NAAC accreditation. Further low citation impact - India's relative citation impact is half the world average. On the front of **equity as well** there is wide disparity in the GER of higher education across states and the Gross Attendance Ratio (GAR) in urban and rural areas, and gender- and community-wise. Inter-state disparity is evident with 47.9 per cent in Delhi vs. 9 per cent in Assam. Urban-rural divide exist to the tune of 30 per cent in urban areas vs. 11.1 per cent in rural areas. Differences across communities are prevalent as well to the extent of 14.8 per cent for OBCs, 11.6 per cent for SCs, 7.7 per cent for STs and 9.6 per cent for Muslims. Gender disparity is also evident with 15.2 per cent for females vs. 19 per cent for males.

India has one of the largest higher education systems in the world, with 25.9 million students enrolled in more than 45,000 degree and diploma institutions in the country at the beginning of the 12th plan period. It has also witnessed particularly high growth during the last decade, with enrolment of students increasing at a CAGR of 10.8 per cent and institutions at a CAGR of 9 per cent. The Government intends to achieve enrolment of 35.9 million students in higher education institutions, with a GER of 25.2 per cent, by the end of the Twelfth Five Year Plan period through these multiple forms of institutions including research, teaching and vocation-focused ones.

The private sector institutions have a positive and crucial role to play as they will be instrumental in successful achievement of these outcomes through the creation of knowledge networks, research and innovation centers, corporate-backed institutions, and support for faculty development.

BUSINESS MANAGEMENT EDUCATION IN GUJARAT: CHANGING SCENARIO

Gujarat has the privilege of the fact that Indian Institute of Management in Ahmedabad is a leading institution in the country. It has to an extent impacted the management education in the state. Despite this, the standard of management education in the state has to do a lot to counter

challenges and meet objectives of 12th plan of higher education. Besides, IIMA there are a few more nationally recognised institutions which exist in Gujarat. The paper discusses the scenario relating to the majority of institutions imparting management education in the state. These are the institutions which cater mainly, to the students from Gujarat and can be categorised as state players in provision of management education in the state. These state players include Universities of Government, private universities set up during the past five years and other colleges now affiliated to Gujarat Technological University. Besides these institutions offering management education, a few new colleges have a presence as well, who started operating in the state during the last few years, which include some colleges which have national presence and are now expanding to Gujarat as well. It is worth remembering that FDI in higher education is not permitted till now. It is expected that sooner or later it will be permitted as well, leading to the entry of foreign educational institutes in the state and the country. The colleges and institutes offering post graduate education started increasing in the beginning of the last decade in the state of Gujarat like many other states in the country. Till that time IIMs and universities were mainly offering MBA degree to the students. Of course there were other renowned institutions who were offering such degrees and diplomas in the country. However,

in Gujarat only a few other institutions had started to offer management education during last years of previous century. Coupled with mushrooming of management institutes offering masters degree there was multiple fold increase in the private colleges feeding these by starting BBA degree to a large number of aspiring students as well.

The number of such other institutes and colleges increased to almost 150 by the year 2010-11. Out of these colleges, though the number of Government University departments remained the same i.e. six, while the number of private colleges and private universities increased in the state substantially during this period. The government of Gujarat has setup a centralised committee for conduct of admission process to various MBA colleges under its jurisdiction called Admission Committee for Professional Courses (ACPC) formed by the state government after 2008-09. The following table provides data on changes in a number of colleges and institutes during previous years in the state of Gujarat among the colleges and institutes under consideration, whose admission process is done through ACPC. The number of seats available for admission in Gujarat in various districts and category of seats under grant in aid and self finance in Gujarat is given in table below:

It is clear from the table 9 that the number of

Table 9: District wise Seats in Colleges and Institutes (Nos. GIA/SFI)

S. No.	City Name	2008-09		2014-15		2015-16	
		Intake	No. of Colleges	Intake	No. of Colleges	Intake	No. of Colleges
1	Ahmedabad	810	9	2135	16	1895	18
2	Amreli	60	1	240	2	240	2
3	Anand	180	3	580	6	615	6
4	Bharuch	60	1	150	2	120	2
5	Bhavnagar	60	1	360	3	360	3
6	Gandhinagar	330	4	1080	10	960	9
7	Himatnagar	-	-	240	2	240	2
8	Jamnagar	120	2	240	2	240	2
9	Junagadh	60	1	420	4	420	5
10	Kachchh	-	-	240	2	120	2
11	Kalol	60	1	420	4	420	4
12	Kheda	120	2	180	2	180	2
13	Navasari	-	-	180	2	120	2
14	Patan	240	3	240	2	360	3
15	Porbandar	-	-	120	1	120	1
16	Rajkot	630	7	2130	16	1830	16
17	Surat	360	6	1120	7	900	8
18	Surendranagar	-	-	180	3	180	3
19	Vadodara	160	3	1200	7	920	8
20	Valsad	120	1	240	3	180	2
	Total	3370	45	11695	96	10420	100

Source: ACPC admission Brochure, 2014-16 and for Brochure for MBA admission Sardar Patel University, 2008-09; GIA is grant in aid colleges and SFI is self financed colleges.

colleges and institutes for providing MBA degree and number of seats available for admission are declining in the state of Gujarat. During this period the government of India also introduced Common Management Admission Test (CMAT) and ACPC started admitting students based on CMAT merit of students.

Due to the large number of seats available compared to admission seekers it has been observed that the number of colleges and institutes have been decreasing since last few years. Further, it has been observed that there are some institutes who have started offering more seats for admission in some of the districts. This has led to the concentration of colleges and institutes in and around large cities and in and around urban areas in the state (ACPC brochure 2014-15 and 2015-16). However, it is also clear that the majority of colleges and institutes are self financed. Thus the government is promoting management education through private sector only. This has its own inherent danger as the government will not be able to control quality as well as malpractices which some of the institutions may be tempted to indulge in. Another new development observed is that some of the nationally known colleges and institutes have come to Gujarat and have started offering MBA degree. Thus, there is entry of private national institutes in the state of Gujarat leading to increased competition.

Table 10: List of Participating Institutes (Mba)

Year	GIA Institute	SFI INSTITUTES
2015-16	9	99
2014-15	9	108
2013-14	9	113

Source: ACPC Brochure of Admission to MBA/MCA 2015-16, 2014-15 and 2013-14.

During 2015-16, twelve (12) MBA colleges closed down while four new colleges were opened. In MCA, two colleges were closed down while eight new colleges have opened for admission (Source: June 14, 2015, The Times of India, Gujarat Common Entrance Test for MBA, MCA begins today).

As a result of more and more seats available and increased competition among existing colleges and institutes and new entrants from other states many students are not appearing in CMAT examination seeking admission directly in private colleges and universities offering MBA degrees and diplomas. This is how ACPC is gradually losing its relevance as many of the private players

do not stick to the date schedule for admission as suggested by ACPC and admit students by booking their seats in advance by accepting part of the fee in the form of booking payments. Many of them also accept and keep original documents of the students. Besides this indirect competition is also faced by colleges and institutions in Gujarat from such colleges in other states which lure students through advertisements and entering into some sort of tie ups with increasing number of coaching institutions and classes. Many such private colleges are promoted and recommended to students at these coaching classes, which may be substandard and tend to exploit students. Thus, the provision of management education in the state of Gujarat is undergoing a continuous evolution. This evolution may not be successful in achieving targets of 12th five plan related to higher education as of now, as industry and corporate often complain of poor quality of output from institutions of higher education in the country. Besides the existing higher education institutions in the state of Gujarat the quality of school education, which provides input to higher education, need to be considered as well. Three indicators related to school education which are of concern are physical access, supplementary services and access and ability to use computers and the internet. In Gujarat as well these are of real concern. This year the result of students in 10th and 12th is poor and only around 55 per cent of students have been able to pass and will be seeking admission to higher education. The poor results have been widely attributed to installation of CCTVs in examination rooms, thereby adversely affecting the performance of students. Obviously, school and pre-school education is very important for ensuring that students perform well during their higher education as well.

CONCLUSIONS

India being an underdeveloped nation, obviously suffers from lack of quality institutions in general. In the education sector as well, in general a variety of shortcomings need to be taken care of which can be attributed to quality of institutions. The decision making, quality of human capital and its scarcity, poor quality of relevant data and its collection or lack of it, etc. affects achievements in the education sector. Gradual withdrawal of government and poor management and regulation of private self - financed institutions in education sector are also responsible for objectives relating to education being partially

accomplished. Thus, despite decent achievements, the quality and quantum of objectives achieved are still far from desirable levels and are well short of the gains which would have been made with good quality of institutions. Thus, it is further desirable to focus on taking initiatives for making institutions stronger for more efficient transformation of efforts into improving education quality and standards for economic development in India.

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