

and the demands of the labor market.

The growth of private institutions has created concerns about equity, quality, and exploitation. Since tuition fees are high for almost all professional education (whether at public or private institutions)—most people find only professional education useful—useful higher education is now inaccessible to the poor. Besides preventing the fees to rise in general higher education in the name of equity, very little is being done to introduce an adequately funded scholarship and loan scheme for the poor. Such an intervention is urgently required to promote access to higher education and address equity issues.

Accreditation agencies have been put in place to ensure quality and tightly regulated admissions and fees. Yet, progress has been limited due to a hiatus between what is said and what actually gets done. Due to lack of transparency and fair play (or perceptions of the same), private institutions lack the incentive to do the right things. Standards continue to fall and some private institutions indulge in gross malpractices, creating a poor overall image of private higher education.

Rather than dismantling the affiliating system (as some people suggest), the strengths of the system should be used to disperse higher education opportunities geographically through both a conventional and distance mode to address the quality issue. Consolidation of higher education requires the merging and clustering of universities and colleges, for intellectual exchange, synergy, and a sharing of infrastructure and facilities. And each such merged entity should be given full academic autonomy to experiment and innovate.

#### CONCLUSION

Overall, a four-pronged approach is required to meet the rising expectations and aspirations of the people. First, the private sector needs to be based on the current realities and applied in a fair and transparent manner. Second, the affiliating system needs to be designed to achieve geographical dispersal and to establish the optimum size of institutions. Third, increased funding and innovative financing mechanisms must create incentives for public institutions to do the right things and change with time. Fourth, an adequately funded scholarship and loan scheme should be put in place so that no one is denied the opportunity for higher education just because of poverty. Pragmatism requires understanding that the Indian government could at best set up more top-quality institutions and support public research, while sustained support for higher education and its growth would occur through private finance. Equity issues can be addressed through properly designed income-contingent loans and scholarships for the very poor. Private growth in the Indian context helps to correct the country's historical and undesirable bias for liberal arts education. Thus, at a time when the Indian economy is at take-off stage, the government should direct and accelerate changes in Indian higher education to support the economy. ■

## Vedanta University: A Flawed Pipe Dream

PHILIP G. ALTBACH

*Philip G. Altbach is Monan professor of higher education and director of the Center for International Higher Education at Boston College.*

The latest grandiose and probably unrealistic idea for establishing a world-class university is Anil Agarwal's Vedanta University, which is planned to be opened in 2008 in the state of Orissa, India. Mining magnate Agarwal has pledged an initial \$1 billion for this project. International architects have been hired, the authorities in Orissa are on board, and a group of academic leaders is being hired from around the world. The idea is to create a university with 100,000 students, offering degrees in the major fields and stressing an interdisciplinary approach. While the details of the university's organization have not been revealed, it is intended to look like Harvard and Stanford. While it is always a good deed when one of the world's richest men takes an interest in higher education, it is unlikely that Vedanta University will achieve the desired results, no matter how much money Mr. Agarwal spends on it.

In India, where so much of the emerging private higher education sector is de facto for-profit and narrowly focuses on a few high-demand vocational fields, it is positive that a major industrialist is investing in higher education. The clear public interest motivation for Vedanta is also heartening as is the goal of planning a university that will offer an array of disciplines and not just business administration or information technology.

Does Vedanta have an overarching educational philosophy and strategy to obtain the goal of building a world-class university? Is there an educational vision behind the money? Building impressive physical facilities are a start but will by no means ensure success. The heart of any university consists of its faculty—the professors who do the actual academic work and who must have the autonomy to shape the institution's programs. Academic leadership is also a necessity—leadership with an intellectual vision as well as the ability to build and manage a complex organization.

A billion dollars sounds like a lot of money, but when spread around a university of 100,000 students, it is in fact a more modest sum. One must separate the cost of building the campus from the operating costs of a major research university. The annual budgets of universities like Harvard and Stanford are about \$1 billion; the major European universities spend less but are in this league. An average American research university typically has an operating budget of close to a half billion.

No research university in the world has 100,000 students or even anything close. The University of Chicago, one of the few

top-ranking universities that was established in 1890 with the idea of being a world-class research university, today has 13,700 students, 4,000 of them undergraduates and an annual budget of more than \$1 billion. Its major benefactor, John D. Rockefeller, at the time the world's richest man, spent several billion dollars in the currency equivalent of the time. Even more significantly, Chicago's founding president, William Rainey Harper, had a vision for the university that he was able to implement. The idea came first, the money second. It was also possible to lure many of the world's best scholars to the new university with top salaries and the promise of academic freedom and autonomy. The university was located in one of America's fastest-growing cities—a center of the emerging technologies of the early 20th century. Stanford University,

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established in 1891, took longer to mature. It did not become a major research university until after World War II, benefiting from innovative leadership and the development of the high-tech industries of the Silicon Valley of northern California. Stanford's enrollment and budget are similar to the University of Chicago.

The Chicago and Stanford examples have several lessons for Vedanta, as do the realities of Indian higher education. The goal of serving 100,000 students will doom Vedanta University. Indeed, the University of California, Berkeley, one of the largest highly ranked research universities in the United States, enrolls 33,000 students, and its size has been capped. One of the reasons for the success of the Indian Institutes of Technology, the Birla Institute of Science and Technology (BITS), and a few others has been their small size. These institutions have been able to maintain high standards and create a real academic community in part because of a manageable size.

Location is also a significant element. It is hard to imagine a world-class university emerging in rural Orissa. Most of the world's distinguished universities are in or at least near metropolitan centers. India's highly regarded Institutes of Technology are near major cities for the most part. There are a few exceptions to this metropolitan rule. Several of America's major public universities were established in the 19th century in rural areas at a time when the United States was still an agricultural society. Examples include the University of Illinois at Urbana-Champaign and Pennsylvania State University or the Russian academic complex around Novosibirsk. BITS has done well in Pilani. But all of these institutions struggle

against their geographical isolation to maintain their excellence. It is difficult to lure academics and students to out-of-the-way places and to support intellectual and cultural institutions. Even in the age of the Internet, location matters a great deal. Indeed, it can be argued that in the era of globalization, location is even more important because all top universities must attract the best and brightest talent from around the world. It is unlikely that in rural Orissa Vedanta will be a significant lure.

Will Vedanta University be a public or a private institution? With hardly any exceptions, there are no successful private research universities outside of the United States and Japan. All the rest are public, state-supported institutions. The reason for this is the high cost of sustaining research universities over time. It is not enough to pour money into the development of a campus and the initial start-up costs. Distinguished research universities need massive financial resources over time. Some of this support must come from public sources. Other funds can be generated from student tuition and fees and from research grants from public and private sources obtained by the professors. Many research universities around the world have not achieved their goals because of the lack of sustained financial backing. While \$1 or \$3 billion dollars is a large investment and will go far to establishing world-class facilities, additional funds will be needed to sustain the university, especially in its early years, once it is up and running.

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Will Vedanta become a global university located in Orissa or an Indian university with significant global influences? If it is a global institution, then how will it contribute to India's development? If it is Indian, will it be overwhelmed by the well-known problems of bureaucratic control, minor corruption, and other issues that affect most of Indian higher education? Given contemporary realities, one cannot be very optimistic about Vedanta's chances for success. Let us hope that the funders of this project will have the foresight to anticipate the problems and maximize the chances for success. ■