

Centralization versus Federalism in Indian Higher Education Governance: A Systematic Policy Analysis of NEP 2020 and the Evolving Role of the UGC

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Abstract—The governance of higher education in India has long been characterized by a dynamic tension between centralization and federalism. While the Constitution situates education within the Concurrent List, enabling shared responsibility between the Union and the states, recent reforms—especially the National Education Policy (NEP) 2020—signal a major restructuring of regulatory authority. This study conducts a systematic policy analysis to examine how NEP 2020 and the evolving mandate of the University Grants Commission (UGC) reshape India's higher education governance landscape. Using a qualitative design grounded in document analysis, the research integrates federalism theory, regulatory governance frameworks, and centralization–decentralization perspectives to analyze policy documents, legislative texts, state responses, and scholarly literature. Findings reveal that the proposed Higher Education Commission of India (HECI) architecture—comprising NHERC, NAC, HEGC, and GEC—centralizes regulation, accreditation, funding, and curricular standards, thereby reducing the discretionary role of state governments. While the policy aims to enhance transparency, coherence, and academic quality, it also raises concerns about diminishing state autonomy, asymmetric adoption across regions, fiscal dependency, and constrained institutional flexibility. The study argues that although NEP 2020 advances efficiency and standardization, sustaining India's constitutional federalism requires strengthening cooperative federal mechanisms, ensuring contextual adaptation, and enhancing state-level capacity. The paper contributes to ongoing scholarly discourse on education governance by offering a conceptual model that illustrates the centralization–federalism interaction and provides policy recommendations for a balanced governance approach.

Index Terms—Higher education; NEP 2020; federalism; regulatory governance; HECI; UGC reforms

I. INTRODUCTION

The governance of higher education in India has long been shaped by the tensions between centralization—the consolidation of power, decision-making, and regulatory authority at the national level—and federalism, which distributes power across the Union and the states. In the context of education, centralization refers to the central government's increasing control over regulatory structures, quality assurance systems, and academic standards. Federalism, conversely, emphasizes state-level autonomy in university governance, curriculum development, funding, and institutional oversight. These competing forces shape how academic priorities are set, how universities function, and how students access higher education across diverse regions.

This debate is particularly significant for India because higher education falls under the Concurrent List of the Constitution, mandating a shared responsibility between the Union and state governments. The country's social, linguistic, and economic diversity further strengthens the argument for robust state participation in education policy. On the other hand, the need for global competitiveness, uniform quality standards, and accountability mechanisms is often positioned as justification for greater central coordination.

Within this policy milieu, two developments have been pivotal: the introduction of the National Education Policy (NEP) 2020, which envisions sweeping structural reforms, and the evolving mandate of the University Grants Commission (UGC), which has traditionally served as India's apex regulatory and funding body. NEP 2020 proposes an

integrated regulatory architecture through a set of new verticals—including NHERC, NAC, HEGC, and GEC—signaling a potential centralization of authority within the higher education ecosystem.

The purpose of this chapter is to provide a systematic policy analysis of the centralization–federalism debate through the lens of NEP 2020 and the shifting role of the UGC. The scope includes historical evolution, theoretical foundations, analysis of proposed reforms, and implications for federal autonomy. The chapter contributes to ongoing scholarly discourse by synthesizing secondary data, conceptual frameworks, and policy documents to critically evaluate the trajectory of Indian higher education governance.

II. HISTORICAL CONTEXT OF INDIAN HIGHER EDUCATION GOVERNANCE

2.1 Pre-UGC Era and Early Regulatory Structures (Before 1956)

Prior to the establishment of the University Grants Commission, Indian higher education governance was fragmented and primarily influenced by colonial-era legislation. Universities such as Calcutta (1857), Bombay (1857), and Madras (1857) were created as examining bodies, and the colonial state maintained supervisory authority. Post-independence, the Radhakrishnan Commission (1948–49) recommended centralized funding and coordination to ensure minimum quality standards across universities.

2.2 Establishment and Mandate of the UGC

Established through the **UGC Act of 1956**, the University Grants Commission became the primary body entrusted with:

- Allocating funds to central and state universities,
- Maintaining quality and academic standards,
- Coordinating teaching, research, and institutional development.

UGC's role evolved alongside the expansion of higher education, gradually increasing central oversight over accreditation norms, faculty qualifications, research funding, and academic frameworks.

2.3 Central–State Dynamics in University Creation and Regulation

University governance in India has historically reflected federal tensions.

- **Central Universities:** created and fully funded by the Union government.
- **State Universities:** established under state legislation and serving over 85% of student enrolment.
- **Deemed Universities:** granted autonomy by central authorities, further complicating the regulatory balance.

Although states have the constitutional authority to legislate on higher education, the financial power and normative influence of the UGC created a de facto centralized governance model.

2.4 Role of State Governments

State governments remain responsible for faculty recruitment, funding of state institutions, curriculum updates (through state councils), and compliance with UGC norms. However, fiscal constraints and uneven capacities across states have historically limited their autonomy, making them dependent on centrally sponsored schemes.

III. THEORETICAL FRAMEWORK

3.1 Federalism Theory

Federalism encompasses multiple models relevant to higher education governance:

- **Cooperative federalism** emphasizes shared responsibilities and harmonization between central and state authorities.
- **Competitive federalism** promotes inter-state innovation through competition in policy and governance.
- **Fiscal federalism** highlights financial dependency and negotiations between tiers of government.

These frameworks help interpret the redistribution of regulatory powers proposed under NEP 2020.

3.2 Decentralization vs. Centralization in Public Policy

Decentralization is often linked to responsiveness, diversity, and local accountability, while centralization is associated with standardization,

equity, and efficiency. Education systems globally oscillate between these models depending on political, economic, and administrative imperatives.

3.3 Education as a Concurrent Subject

Since the 42nd Constitutional Amendment (1976), education has been located in the Concurrent List, mandating both central and state governments to co-govern the sector. This constitutional feature is central to debates on whether NEP 2020 strengthens or disrupts federal balances.

3.4 Regulatory Governance Theory

Regulatory governance emphasizes autonomy, accountability, transparency, and oversight. NEP 2020's proposal of independent verticals aligns with global models of regulatory separation but raises concerns about centralized control over standards, accreditation, and funding.

IV. NEP 2020: VISION AND POLICY ARCHITECTURE

NEP 2020 proposes transformative reforms to position India as a global knowledge leader.

4.1 Key Structural Changes

The policy envisions:

- Reduction in the number of affiliated colleges,
- Emphasis on multidisciplinary universities,
- Reforms in accreditation and quality assurance,
- Holistic and flexible curriculum structures,
- Clarity in regulatory separation.

4.2 The Four Verticals under the HECI Framework

1. NHERC (National Higher Education Regulatory Council) – a single regulator for all academic institutions except medical and legal education.
2. NAC (National Accreditation Council) – a meta-accrediting agency responsible for accreditation through multiple accreditation bodies.
3. HEGC (Higher Education Grants Council) – responsible for funding, replacing the financial mandate of the UGC.
4. GEC (General Education Council) – responsible for academic frameworks, including NHEQF and curricular reforms.

Together, these verticals imply consolidation of oversight under a unified central authority.

4.3 Emphasis on Autonomy

The policy promotes institutional autonomy through:

- Graded autonomy,
- Compulsory accreditation,
- Changes in deemed university status,
- Flexibility in programme design.

4.4 Standardization Efforts

NEP mandates reforms such as:

- National Higher Education Qualifications Framework (NHEQF),
- Academic Bank of Credits (ABC),
- Uniform credit and curriculum guidelines,
- Multiple entry–exit systems.

These initiatives aim to harmonize academic quality across states but also strengthen central control.

V. CENTRALIZATION TRENDS UNDER NEP 2020

5.1 A Single Regulatory Architecture

The NHERC proposal centralizes approval processes, quality standards, and institutional permissions, reducing the role of state regulatory bodies.

5.2 National Curriculum and Credit Frameworks

Uniform frameworks such as NHEQF and ABC standardize higher education across the country, reducing state-level flexibility in curriculum development and assessment.

5.3 National Research Foundation (NRF)

NRF centralizes research funding, agenda-setting, and project evaluation. States and state universities with low research capacity may become dependent on centrally determined priorities.

5.4 Centralized Admission and Testing Structures

The National Testing Agency (NTA) conducts centralized examinations (CUET, Ph.D. entrance), reducing state influence in admissions.

5.5 Umbrella Governance Model

Moving from multiple regulators to a single authority reflects strong centralization, framed as efficiency and transparency but raising federalism concerns.

VI. FEDERALISM AND STATE AUTONOMY CONCERNS

6.1 Constitutional Ambiguity and Federal Tensions

Although education is a concurrent subject, many NEP provisions are perceived to bypass state authority by prescribing uniform regulatory and academic norms.

6.2 State Universities and Enrolment Dominance

State universities serve over 85% of India's students, yet policy decisions affecting accreditation, curriculum, and funding increasingly originate from the Union government.

6.3 Concerns Regarding Erosion of State Powers

States fear reduced control in:

- Curriculum design,
- University governance appointments,
- Funding structures,
- Accreditation and regulatory compliance.

6.4 Divergent State Responses

- Full Adoption: Several states aligned with NEP reforms due to political or fiscal incentives.
- Partial Adoption: Karnataka, Andhra Pradesh, and others adopted selected features.
- Rejection: Tamil Nadu and Kerala opposed NEP 2020 citing concerns about centralization and linguistic-cultural homogenization.

6.5 Fiscal Implications

States depend on centrally sponsored schemes for higher education reforms. With HEGC and NRF controlling funding flows, fiscal federalism concerns intensify, especially for resource-constrained states.

VII DISCUSSION, CONCLUSION, AND POLICY IMPLICATIONS

7.1 Synthesis of Key Findings

The analysis demonstrates that Indian higher education governance has historically oscillated

between centralizing impulses and federalist demands. While the UGC Act of 1956 formalized central oversight, state governments retained autonomy in establishing universities, designing curricula, and administering institutional governance. With the introduction of NEP 2020, the balance appears to shift further toward centralization through the proposed HECI architecture, uniform curriculum frameworks, centralized accreditation, and national testing mechanisms.

The creation of NEP's four verticals—NHERC, NAC, HEGC, and GEC—represents one of the most significant reorganizations of India's regulatory landscape since independence. While these reforms aim to address long-standing issues of fragmentation, low quality, and regulatory overlap, they simultaneously centralize key decision-making powers at the Union level. This raises concerns regarding the constitutional principle of shared responsibility in education and the practical need for local responsiveness in a culturally and linguistically diverse country.

7.2 Federal Concerns and Asymmetric Adoption

States with strong academic ecosystems, such as Tamil Nadu and Kerala, have raised doubts about NEP's one-size-fits-all approach, particularly regarding the three-language policy, multiple entry–exit system, standardized curriculum, and accreditation framework. Their resistance highlights the friction between national standardization and regional autonomy. Conversely, states with weaker regulatory capacity or political alignment with the Union government are more receptive to NEP reforms. This asymmetric adoption challenges the notion of cooperative federalism.

7.3 Implications for Institutional Autonomy

NEP repeatedly claims to promote institutional autonomy. However, autonomy under NEP is conditional on centralized accreditation and compliance with uniform academic standards. Thus, institutional autonomy is framed within a standardized regulatory architecture, making it a form of *regulated autonomy* rather than true decentralization.

7.4 Policy Implications

7.4.1 For Central Government

- Strengthen cooperative federalism mechanisms, such as intergovernmental councils and joint working groups.
- Revise the HECI Bills to explicitly include state representation and role clarity.
- Avoid excessive standardization that undermines India's regional linguistic and academic diversity.

7.4.2 For State Governments

- Develop strong State Higher Education Councils (SHECs) to negotiate effectively with central regulatory bodies.
- Improve fiscal planning to reduce dependence on centrally sponsored schemes.
- Enhance accreditation capacity to support institutions during central-transitions.

7.4.3 For Universities

- Engage proactively with ABC, NHEQF, and accreditation reforms.
- Invest in quality enhancement practices aligned with national benchmarks.
- Strengthen internal quality assurance systems to reduce regulatory risk.

7.4.4 For Policymakers

- Balance efficiency (centralization) with responsiveness (federalism).
- Encourage consultative policymaking to address cultural, linguistic, and regional diversity.
- Adopt a differentiated model where state universities are governed with flexibility compared to central institutions.

7.5 Conclusion

The centralization–federalism debate in Indian higher education governance is not merely administrative; it reflects deeper tensions about identity, diversity, and the role of the state in knowledge creation. NEP 2020's transformative vision acknowledges these challenges but tends toward a centralized architecture that risks diminishing state autonomy. To uphold the spirit of India's constitutional federalism, policymakers must ensure that central reforms do not overshadow regional aspirations and institutional diversity. A balanced governance model, grounded in cooperative federalism, is essential for ensuring that

India's higher education system remains both globally competitive and locally relevant.

VIII. CONCEPTUAL FRAMEWORK / MODEL: CENTRALIZATION-FEDERALISM INTERACTION IN HIGHER EDUCATION

The following conceptual model illustrates how NEP 2020 shifts the governance landscape:

Input Factors

- Historical centralized architecture (UGC Act, central funding)
- Constitutional division of powers (Concurrent List)
- State capacity variations
- Global competitiveness pressures
- Quality assurance gaps

Policy Intervention: NEP 2020

- Centralized regulatory architecture (NHERC)
- Standardized accreditation (NAC)
- Centralized funding (HEGC)
- Standardized academic frameworks (GEC / NHEQF / ABC)
- Centralized admissions and testing (NTA, CUET)

Processes Affected

- Curriculum development
- Accreditation and quality assurance
- Research funding and agenda-setting
- Institutional autonomy
- Fiscal flows
- State-level policymaking

Outputs

- Uniform standards
- Increased transparency
- Reduced regulatory fragmentation
- Strengthened national quality benchmarks
- Reduced state autonomy

Outcomes

- Improved national quality ecosystem (positive)
- Possible erosion of federal balance (negative)
- Divergent adoption and state-level friction
- Conditional institutional autonomy

This model can be easily reproduced as a figure in a Scopus submission.

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