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Governance and Regulatory Architecture of Commerce Education in India: Roles of UGC, Universities, and Accreditation Mechanisms

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Abstract
Commerce education occupies an important place in the Indian higher education system. The rapid expansion of institutions and programs has intensified the need for good governance and regulation to maintain curricular relevance, academic standards, and institutional accountability. This study discusses the regulations and governance architecture of commerce education in India through the analysis of the roles of the University Grants Commission, universities as academic intermediaries, and accreditation bodies like the National Assessment and Accreditation Council. Based on scholarly literature on higher education governance, policy analysis, and regulatory documents, the study examines how these institutional players influence curriculum regulation, academic standards, and quality assurance. The discussion reveals that governance reforms, especially under the National Education Policy 2020, have brought in more outcome-oriented frameworks, flexibility, and multidisciplinary approaches. Nonetheless, there are still major obstacles/challenges, such as coordination gaps in policy implementation, overlapping mandates among regulatory bodies, uneven institutional readiness, and digital infrastructure disparities. Despite these challenges, universities remain an important intermediary in translating the national policies into institutional practice, especially under the affiliated college system. The study advocates for a more coherent regulatory architecture that would strike a balance between institutional autonomy and accountability while reinforcing quality assurance and responsiveness to the evolving professional and labour market requirements.

Keywords: Commerce Education, Higher Education Governance, Higher Education Policy in India, NAAC, Quality Assurance, Regulatory Architecture, University Grants Commission

1. Introduction
Commerce education occupies an important place in India's higher education system, both in terms of student enrolment and its relevance to professional and economic growth. Over the years, commerce programs of study have succeeded in attracting large numbers of students seeking careers in management, accounting, finance, banking, taxation, and other related business professions. With enrolment numbers consistently increasing across government, private, and aided institutions, commerce education has played a leading role in developing India's professional workforce and contributing to economic development. The expansion of commerce education has been synonymous with the overall economic change in India and the growing need for graduates with financial and business skills (Agarwal, 2009; Tilak, 2014) [1, 24].

The institutional growth of commerce education has been accompanied by meaningful and significant diversification in curricular offerings. The traditional accounting, business organisation, and commercial law courses have gradually broadened to accommodate emerging areas like corporate governance, financial markets, taxation systems, entrepreneurship, and business analytics. This diversification is due to the changing demands of contemporary industries and the need for graduates equipped with not only theoretical foundations but also practical competencies. Meanwhile, the rapid expansion of institutions and programs has intensified the need for effective governance and regulatory oversight to uphold academic standards, the employability of graduates and institutional accountability.

Therefore, governance and regulation are important in the formulation of structure and operationalisation of commerce education. Governance in higher education refers to the regulatory processes, institutional arrangements, and policy frameworks through which academic systems are coordinated, monitored, and held accountable (Boer *et al*., 2007) [5]. These

arrangements affect various aspects of higher education, such as quality assurance mechanisms, curriculum design, teaching practices, faculty recruitment, and infrastructure development. From the perspective of commerce education, governance is associated with the interaction of multiple institutional actors operating at different levels of higher education system. These include national regulatory authorities responsible for policy formulation, universities that exercise academic authority over affiliated colleges, and accreditation agencies that assess institutional performance and accredit them (Dill & Beerkens, 2010) [8].

In the sphere of Indian higher education, the regulatory architecture of commerce education is primarily influenced by the University Grants Commission (UGC), universities, and accreditation agencies, including the National Assessment and Accreditation Council (NAAC).

(a) The UGC is the apex statutory body that oversees and regulates the standard of education in universities, colleges and other higher education institutions (HEIs), regulatory directives, as well as aiding in institutional development in terms of funding and policy programs.
(b) Universities act as academic intermediaries by designing curricula, conducting examinations, and supervising the academic activities of affiliated colleges that offer commerce programs.
(c) Accreditation agencies offer an additional layer of quality assurance by evaluating institutions against set standards about teaching, research, governance, infrastructure, etc (Varghese & Martin, 2014) [27].

These institutions together constitute a complex governance structure that defines how quality commerce education is delivered across the country. It may be noted here that the Government of India (GoI) proposes to establish Viksit Bharat Shiksha Adhishthan (VBSA), a national-level governance framework, subsuming a few existing regulatory bodies, such as UGC, All India Council for Technical Education (AICTE), National Council for Teacher Education (NCTE), etc. However, the relevant bill is now referred to the Joint Parliamentary Committee (JPC).

The importance of governance and regulatory frameworks in commerce education extends beyond administrative coordination. It has a direct impact on the curriculum design, instructions, faculty development, provision of infrastructure and the eventual competence and employability of graduates. Commerce education plays a dual role: imparting theoretical knowledge in business disciplines on the one hand, and equipping students with practical skills required by contemporary industries on the other. This two-fold mandate requires governance systems that is sufficiently flexible to accommodate curricular innovation and simultaneously uphold standards that ensure the quality and credibility of academic programs. Therefore, the conflict between flexibility and standardisation, between autonomy and accountability, and between national consistency and institutional diversity constitutes a major governance challenge within higher education systems (Bhuiyan, 2026) [4].

India's higher education system, one of the largest in the world in terms of enrolment, functions in a complex regulatory environment influenced by multiple institutional players. As a major academic stream attracting substantial student populations, commerce education must navigate regulatory frameworks of UGC, state governments, universities, professional bodies, and accreditation agencies. The coexistence of multiple agencies that oversee regulation, funding, and quality assurance often leads to fragmented authority and overlapping mandates, creating a governance environment that is both comprehensive and intricate in terms of administration (Agarwal, 2009) [1]. In the case of commerce education, these challenges are further compounded by the large number of affiliated colleges, variations in institutional capacity, and the increasing expectations of industry for graduates with professional competency.

Policy reforms introduced in recent years under the National Education Policy 2020 (NEP 2020) have sought to transform the face of governance of Indian higher education. The policy suggests structural changes aimed at improving academic flexibility, augmenting institutional autonomy, and promoting multidisciplinary learning through initiatives such as the Academic Bank of Credits (ABC) and multiple entry-exit options in academic programs. It also conceived the establishment of the Higher Education Commission of India (HECI – this council is proposed to be established as Viksit Bharat Shiksha Adhishthan, VBSA) as a unified regulatory framework to harmonise governance functions across the higher education system. Even though these reforms (more particularly, as proposed in NEP 2020) are meant to improve coordination and quality assurance, the implementation process has been inconsistent across states and institutional settings, reflecting the persistence of the problem of regulatory coherence and institutional preparedness (Venkareddy, 2025) [28].

It is on this background that the present study examines the governance and regulatory framework of commerce education in India, with specific reference to the roles of the UGC, universities and the accreditation structures. The study aims to examine the role of these institutional players in influencing the process of regulation, ensuring academic quality, and ensuring quality assurance in commerce education. To be more precise, the article aims:

(a) To examine the institutional roles and regulatory functions of key governance bodies involved in commerce education;
(b) To analyse the mechanisms through which academic standards and quality assurance are maintained/sustained; and
(c) To assess emerging challenges and coordination issues within the current regulatory framework.

Methodologically, this study adopts a qualitative and analytical approach, which revolves primarily on the review of scholarly literature on higher education governance and regulation, policy documents, statutory regulations, and accreditation frameworks. The significant sources of information are regulatory guidelines issued by national higher education authorities, policy reports related to recent reforms, and academic literature published in leading journals on higher education policy and governance. It is through the synthesis of these sources that the study intends to come up with a comprehensive perspective of the institutional set-ups governing commerce education in India.

The rest of the paper is structured as follows: The second Section provides the conceptual and analytical framework for governance and regulation in higher education. The following Section looks into the history of development of commerce education in India and the institutional environment. This is followed by sections that examine the regulatory role of the UGC (Section 4), the governance role

played by universities (Section 5), as well as the role played by accreditation mechanisms towards quality assurance (Section 6). The paper goes on to dwell on the issues of concern emerging in the governance of commerce education (Section 7) and ends with the policy considerations on strengthening coherence and effectiveness of the regulatory architecture (Sections 8 and 9).

2. Conceptual and Analytical Framework of Governance in Higher Education

Understanding the governance of commerce education requires situating the discussion in the context of wider theoretical discussion on higher education governance. Over the past few decades, governance arrangements in higher education systems across the globe have undergone significant transformation. Such changes indicate increasing emphasis on accountability and quality assurance, evolving policy priorities, and institutional reforms. As higher education systems expand and diversify, governance mechanisms have gradually shifted out of centralised state control toward more complex regulatory arrangements comprising multiple players, policy instruments, and oversight mechanisms (Boer *et al*., 2007; Marginson & Considine, 2000) [5, 18]. Against this context, this section summarises the conceptual foundations of higher education governance and develops an analytical framework for discussing the regulatory architecture of commerce education in India.

2.1 Theoretical Foundations of Higher Education Governance

Governance in higher education generally represents the relationships, systems, structures, and processes through which institutions make decisions, allocate resources, and ensure accountability. It entails decentralisation of power and responsibility to several stakeholders, such as governments, regulatory bodies, universities, faculty members, students and the general public. In contrast to the historical hierarchical control systems, the governance arrangements of contemporary higher education systems tend to reflect the so-called multi-level governance, where authority is disseminated vertically across national, state and institutional levels, and horizontally across multiple regulatory and professional bodies (Bhuiyan, 2026) [4].

Fundamentally, "governance" refers to the structures and the relationships through which institutions and systems of higher learning are guided, coordinated and regulated. Such arrangements influence major institutional functions, like curriculum development, administration of academic activities, allocation of resources, and quality assurance. The sphere of governance thus represents the dynamic interplay of authority, autonomy and accountability (Ivar & Maurice, 2007) [10]. Instead of depending on state power, contemporary governance models make use of assemblages of institutional actors that have an overall influence on policy execution and institutional performance.

There are some theoretical perspectives that can be used to explain how the systems of higher education governance work:

(a) The "institutional theory" focuses on how structures and regulatory practices are embedded within institutional cultures, as time goes by. Such arrangements tend to be inertial due to their normalisation over time through practice and expectation of stakeholders, despite any change in policy rationale behind them. When applied to Indian commerce education, this perspective provides an explanation of why some administrative structures and regulatory practices are still being practiced even though the economic and educational requirements have shifted.

(b) The other viewpoint that is of significance is the "principal-agent theory" that concentrates on the relationship between the policymakers who formulate the regulatory frameworks and the institutions that enforce/implement them. Governments and regulatory bodies are the principals, and they develop rules and policy objectives in advance, and the universities and academic institutions are the agents that carry out the action. The gaps between regulatory intent and the institutional practices may arise due to differences in incentives, information and institutional constraints. Therefore, this framework explains the reason why governance reforms often encounter implementation challenges in highly complex education systems.

2.2 Government, Governance, and Regulation

Within the broader discourse on higher education governance, it is desirable to distinguish between the concepts of government, governance, and regulation, which denote different dimensions of institutional control:

(a) "Government" primarily refers to the formal authority exercised by the state through policy formulation, legislation, and administrative oversight. In higher education, this authority is typically exercised by ministries and national regulatory agencies responsible for setting policy priorities, establishing universities, and allocating funding.

(b) "Governance" is a broader system of coordination that encompasses some institutional actors and mechanisms. These are the universities, regulatory bodies, accreditation bodies, professional associations, and others who together have an impact on the implementation of policies and the operations of institutions.

(c) On the other hand, "regulation" denotes a more specific dimension of governance, referring to the procedures, rules, and standards used to monitor institutional behaviour and ensure compliance with academic quality requirements (Dill & Beerkens, 2010) [8].

The interaction of these three elements/factors influences/determines the overall governance framework of higher education systems.

2.3 Models of Higher Education Governance

Scholarly literature on higher education policy identifies some of the governance models that reflect different relationships between the state and academic institutions:

(a) The most widely discussed model is the "state control model," where governments exercise extensive authority over HEIs through detailed policy directives, centralised regulations, and administrative supervision. In this model, universities usually operate with limited autonomy, and major academic or administrative decisions are subject to government approval. Historically, many higher education systems, especially in developing countries, evolved under such centralised governance arrangements as governments sought to

expand educational access while maintaining control over institutional development (Burton R. Clark, 2023) [6].

(b) The second model, "supervisory or regulatory model," denotes a more balanced relationship between the state and HEIs. In this model, the governments lay down broad regulatory frameworks and quality standards, while granting autonomy to the universities. Regulatory and accreditation bodies have a significant role in monitoring the performance of institutions and ensuring accountability. This model theorises that effective governance must have a balance between external oversight and institutional flexibility (Boer *et al*., 2007) [5].

(c) "Market-oriented governance" is the third approach, which focuses on performance-based accountability, competition, and institutional entrepreneurship. Under this model, universities are extensions of a quasi-market in which funding incentives, organisational reputation, and student demand play important roles in organisational behaviour. Governments shift from direct control towards policy steering mechanisms, like competitive funding arrangements, performance indicators, and accreditation systems.

These reforms are usually associated with New Public Management approaches that seek to improve efficiency and responsiveness in higher education systems (Marginson & Considine, 2000) [18].

2.4 Governance Functions in Commerce Education

The successful governance systems in commerce education must carry out many key functions:

(a) They establish and maintain academic standards by defining curricula requirements, competency frameworks, and learning outcomes that ensure degrees have consistent value across institutions;

(b) Governance systems allocate resources and establish infrastructure standards that allow HEIs to provide quality education; and

(c) They ensure accountability by establishing evaluation mechanisms and performance indicators that monitor institutional effectiveness.

The governments should also ensure that there is coordination among various stakeholders, such as universities, regulatory bodies, professional associations, industry stakeholders and state governments. Since commerce education relates closely to the areas of professional and corporate life, the expectations of employers and the needs of industry are significant in determining the relevance of curriculum and programs. Students and parents are other important stakeholders whose preferences determine the choices made by the institution and the demand for a program. The governance systems have to deal with such intricate relations among these stakeholders and preserve academic integrity and accountability to the population.

2.5 Dimensions of Governance Architecture

The concept of "regulatory architecture" offers an analytical framework for understanding how governance systems are organised and implemented. Governance architecture generally includes many interrelated dimensions:

(a) The "structural dimension" represents the formal institutions and regulatory bodies that constitute the governance system, including organisations like UGC, NAAC, universities, and professional associations. The process dimension entails the procedures through which decisions are made, such as regulatory review systems, consultation mechanisms, and approval processes.

(b) The "cultural dimension" is related to the norms and values which influence the interaction of stakeholders in governance system. These are the attitudes toward the civic responsibility, academic autonomy, institutional responsibility, and academic freedom.

(c) Lastly, the "performance dimension" is the indicator of measuring the institutional effectiveness, which include institutional accreditation outcomes, graduate employability, research output, and academic quality.

To have a coherent governance architecture, structural, procedural, cultural, and performance alignment are needed. Structural reforms without corresponding cultural or institutional adjustments may fail to achieve intended outcomes. Similarly, performance indicators that are poorly aligned with institutional processes may encourage superficial compliance instead of genuine improvement. In the context of Indian higher education, studies suggest that governance reforms often face such misalignments, particularly when hierarchical regulatory structures coexist with policy aspirations for greater institutional autonomy and flexibility under recent reforms.

2.6 Analytical Relevance for Commerce Education in India

These conceptual perspectives offer a valuable theoretical lens for examining the governance of commerce education in India. The regulatory landscape indicates elements of relevant governance models operating concomitantly. The state retains significant regulatory authority through national agencies like the UGC. While universities exercise academic control within the affiliated college system, accreditation bodies offer external quality assurance mechanisms. The interaction of these actors brings into existence a complex governance architecture that determines the development, regulation, and quality of commerce education across the country. Analysing commerce education through this framework allows for a better insight into how institutional roles, regulatory mechanisms, and quality assurance processes interact in the context of India's higher education system.

3. Evolution of Commerce Education in India: Institutional Context

The history of development of commerce education in India needs to be interpreted in terms of the greater enlargement of higher education system in the country and the demands of national economy transformations. Commerce education has, over the years, evolved into one of the most prominent higher education streams that requires specialised education in some universities. This change is supported by the changes in economic order, institutionalisation, and pubic demand for professional education. Analysis of the history and institutionalization of commerce education can offer a valuable foundation for understanding the governance and regulatory apparatuses that shape the sector today.

3.1 Historical Development and Institutional Emergence

Commerce education in India emerged during the colonial era as universities started offering formal courses in

commerce and business studies. These early programs were designed primarily to train commercial professionals, accountants, and administrators who were needed by both colonial administration and emerging indigenous enterprises. Institutions like the University of Calcutta and the University of Bombay played pioneering roles in establishing structured commerce programs, such as the Bachelor of Commerce (B.Com) degree. However, during this period, commerce education remained limited in scope and was largely confined to major urban universities.

After gaining independence, the development of commerce education accelerated significantly as India embarked on economic development and industrialisation. The expansion of higher education system was driven by national priorities related to economic planning, development of professional skills, and the creation of a modern middle class capable of supporting administrative and commercial sectors. Throughout the post-independence years, commerce education progressively evolved from a specialised academic stream into a widely accessible field of study offered in many more universities and colleges.

The establishment of the UGC in 1956 marked a significant milestone in the institutional development of higher education in India. The UGC emerged as the national apex body responsible for coordinating and maintaining standards in university education, including commerce programs. During the 1960s and 1970s, the UGC introduced model curricula for commerce education, established minimum standards for institutional infrastructure, and attempted to promote more homogeneity across diverse Indian university system. Despite these efforts, the scale and diversity of higher education sector meant that regulatory oversight remained uneven, and significant variations in academic standards continued to exist across different institutions (Agarwal, 2009) [1].

3.2 Expansion of Programs and the Affiliated College System

The post-independence expansion of universities and colleges significantly increased the availability of commerce programs in the country. Undergraduate (UG) commerce degrees, especially B.Com., soon became one of the most popular academic programs due to their perceived relevance to employment in sectors like public administration, banking, accounting, finance, and taxation. Universities also introduced postgraduate (PG) programs such as Master of Commerce (M.Com), along with specialised courses in business management, finance, and marketing. The development of the sphere of commerce education was directly linked to the rise of service sector in India and the growing demand for graduates with the knowledge of finance and management (Tilak, 2014) [24].

One of the significant characteristics of the Indian higher education system, which has had a tremendous impact on the development of commerce education, is the affiliated college system. In this institutional arrangement, universities perform as expert bodies and design the curriculum, conduct examinations, and set the academic standards, and the affiliated colleges provide teaching programs to the masses of students. This system made higher education to grow quickly by giving universities the option to spread their academic jurisdiction on a vast web of colleges instead of starting new universities. As a result, a significant proportion of commerce programs in India are provided by affiliated colleges, many of which enrol large numbers of UG students (Altbach, 2015) [2].

However, the expansion of the affiliated college system also posed significant governance and quality assurance challenges/issues. As universities usually have hundreds of affiliated colleges, it is difficult to have effective monitoring of academic standards and teaching practices. Variations in academic resources, institutional infrastructure, and faculty qualifications have resulted in uneven learning outcomes across institutions. These challenges highlight the significance of effective regulatory mechanisms and institutional coordination in the governance architecture of higher education.

3.3 Institutional Diversification and Regulatory Complexity

Since the 1980s, commerce education in India has been institutionalised in terms of diversification. The development of private HEIs, independent colleges and institutions of specialised management has developed a multi-tiered educational landscape. The growth of professional education was rather fast, which was closely connected with the development of private institutions. Most of these institutions unveiled new programs that were in tandem with the new areas like financial services, international business, entrepreneurship and business analytics. Although the diversification made access to business education easier, it made the regulatory landscape more complicated and brought up the question of quality of education and institutional governance (Tilak, 2014; Varghese & Martin, 2014) [24, 27].

The diversification of institutional types created a system comprising government universities (both of central and state governments), private universities, autonomous colleges, constituent colleges, deemed-to-be-universities, and affiliated colleges. Each of these institutional categories operates under different regulatory frameworks, governance structures, and funding arrangements. As the system expanded, the capacity of regulatory authorities to effectively monitor institutional performance became increasingly difficult. Efforts by the UGC to maintain standards through policy guidelines, affiliation systems, and inspection procedures faced limitations due to the sheer scale/size of the higher education sector (Nimbalkar, 2026) [20].

The other aspect of increasing regulatory complexity is that of increasing professionalism of commerce education. The competency requirements of professional qualifications are defined by professional bodies like the Institute of Chartered Accountants of India (ICAI) and other management associations. Although universities still retain control over academic curricula and degree programs, professional bodies tend to affect market needs and career development. Employers also require industry-related competencies that are not necessarily well absorbed within conventional higher academic curricula. These conflicting expectations lead to further governance problems of universities and regulators that are trying to align academic education with professional standards.

3.4 Contemporary Institutional Landscape

The contemporary landscape of commerce education in India signifies this protracted process of institutional evolution and diversification. Today, the sector

encompasses central universities with significant research capacity, state universities catering to the regional student populations, private universities offering specialised programs, autonomous colleges with greater academic autonomy, and thousands of affiliated colleges that provide UG education. This institutional heterogeneity provides opportunities for curricular experimentation, innovation, and expansion of access to higher education.

Meanwhile, institutional diversification also generates governance problems that are linked to policy implementation, regulatory coordination, and quality assurance. Ensuring the same academic standards in heterogeneous institutions necessitates impeccable interactions among regulatory bodies, universities, and accreditation bodies. The differences in faculty expertise, institutional capacity, and infrastructure also make the issue of providing consistent quality throughout the system even more complicated.

Recent developments have brought additional dimensions to the governance of commerce education. The implementation of the NEP 2020 has initiated structural reforms aimed at promoting flexible academic pathways, multidisciplinary learning, and institutional autonomy. Meanwhile, the COVID-19 pandemic stimulated the shift to digital and blended learning models in universities and colleges. This digital transformation brought on new governance considerations, such as issues related to digital accessibility, quality assurance in online learning environments, and the recognition of virtual academic programs.

Such developments emphasise the need for governance systems capable of adapting to technological change, and at the same time, uphold academic standards and ensure equitable access to education. In this context, the historical evolution and institutional diversification of commerce education emphasise the significance of a consistent regulatory framework that can effectively coordinate diverse stakeholder groups and ensure quality across India's ever-growing higher education system.

4. Regulatory Role of the UGC in Commerce

The governance of commerce education in India is, to a greater extent, influenced by national regulatory institutions responsible for maintaining academic standards and formulating higher education policy. Among these institutions, the UGC plays a vital role in shaping regulatory frameworks for universities and colleges. Established as the apex statutory body for higher education governance, the UGC plays a crucial role in supporting and facilitating institutional development, defining academic standards, and ensuring quality assurance in the university system. Therefore, understanding the regulatory role of UGC is necessary for exploring how commerce education programs are structured, developed, and monitored within India's higher education framework.

4.1 Constitutional and Statutory Foundations of UGC Authority

The UGC is an independent statutory body that was established under the UGC Act, 1956. It functions as an intermediary between the government and HEIs including universities. Despite the formal autonomy, the goals and powers of the Commission are influenced by the government policy, legislative mandates and overall priorities of the nation in the field of higher education. The statutory duties of the UGC are mainly related to the progression and the upkeep of teaching and research of the highest level, coordinating the functions of universities, and promoting the development of HEIs throughout the country (Agarwal, 2009; Varghese & Martin, 2014) [1, 27].

These statutory responsibilities translate into concrete regulatory powers. The UGC has the authority to monitor compliance with minimum academic standards, recognise institutions as universities, formulate guidelines for academic programs, prescribe qualifications for faculty appointments, and determine the allocation of grants. Through these mechanisms, it (i.e., UGC) influences the functioning of universities and affiliated colleges in the country.

From the perspective of commerce education, the UGC has historically exercised regulatory authority through a few instruments. These comprise the oversight of institutional recognition and accreditation processes, development of model curricula for commerce programs, specification of minimum qualifications for teaching faculty, and establishment of infrastructure standards for institutions. Model curricula for programs such as B.Com., M.Com., and specialised PG commerce programs offered templates that universities could adapt while maintaining a degree of national consistency. The norms of faculty qualification ensured that teachers possess appropriate academic credentials and professional competence. Guidelines on infrastructure requirements concerning computing facilities, libraries, and laboratories necessary for effective teaching and research in commerce education (Bairagi *et al*., 2026; Kumar, 2019) [3, 15].

4.2 UGC Regulatory Instruments and Their Evolution

The policy of higher education and institutional diversity has altered over time, and the regulatory instruments used by the UGC have changed with these changes. During the previous decades of higher education proliferation, control was, to a greater extent, prescriptive in character, with the UGC, providing specifications on the curricula, teaching loads, and institutional facilities. Model curricula usually indicate the titles of courses, credit hours, and content organisations in detail. This regulation methodology reflected the notion that there was a need to have good standardisation in order to uphold the quality and comparability of degrees in a diverse national university system.

This prescriptive model, however, also had some limitations. Highly standardised curricula often became outdated/obsolete as disciplines evolve and new areas of knowledge emerge. Institutional autonomy was hindered, and innovation in curriculum design was often not encouraged as deviations from prescribed guidelines required lengthy approval procedures. With India's higher education system expanded and diversified, the constraints of inflexible regulatory structures became increasingly apparent.

Since the 1990s, and especially with the advent of economic liberalisation and increased privatisation of HEIs, the UGC has been slowly moving towards a framework-based regulatory model. The Commission, rather than defining detailed course structures, placed more and more emphasis on learning outcomes, competency frameworks, and flexible academic guidelines. This change was a sign that a standardised regulatory formula could not be applied in such

a heterogeneous system that incorporated research universities, teaching-focused colleges, and specialised professional institutions (Damor & Patel, 2025) [7].

One of the significant regulation innovations that the UGC brought was the Choice-Based Credit System (CBCS), which was designed to increase flexibility in the curriculum and student mobility between institutions. Students under CBCS arrange their programs in credit units gained by completion of courses. With the system, the students are able to choose courses in different disciplines, elective courses, and advance through academic programs more flexibly. In the case of commerce education, CBCS established the possibilities to integrate interdisciplinary courses, including economics, entrepreneurship, data analytics, business communication, etc., in traditional commerce curricula (UGC, 2015) [25].

Regulatory reform has also been brought out more recently by the NEP 2020, which insists on the multidisciplinary nature of education, the flexibility of academic pathways, and the outcome-based models of learning. The UGC, in response to these reforms, has risen with initiatives like the ABC, multiple entry-exit options in UG programs, as well as provisions promoting interdisciplinary courses. These reforms are supposed to align higher education curricula to meet the evolving professional and labour market needs and ensure academic mobility and lifelong learning (Ministry of Education, 2020) [19].

4.3 Challenges in UGC Regulatory Capacity and Effectiveness

Although the UGC has statutory authority, its effectiveness in controlling commerce education has been challenged by a few structural and operational issues/challenges. The issue of scale and institutional capacity is one of the most critical ones. India's higher education system now comprises over a thousand universities and tens of thousands of colleges, many of which offer commerce programs. Monitoring such a vast institutional network demands extensive administrative resources, and the UGC's regulatory capacity has often been stretched by the scale of the system.

The other setback is due to the issue of regulatory fragmentation in the higher education sector. With time, several institutions - including accreditation bodies such as NAAC, technical education regulators like AICTE, and professional associations - have assumed regulatory responsibilities within specific domains. Although these bodies have a role to play in quality assurance and professional standardisation, their overlapping mandates can sometimes create uncertainty for institutions attempting to comply with multiple regulations (Kalita & Goswamee, 2025) [13].

Enforcement capacity also remains a major problem. Although the UGC issues numerous regulations and guidelines, mechanisms for monitoring implementation and enforcing compliance are usually limited. Sanctions for non-compliance are generally mild, and the Commission rarely exercises punitive enforcement measures such as withdrawal of recognition or funding. Consequently, regulatory directives may not always translate into consistent institutional practices.

The other issue of concern is the conflict between regulatory oversight and institutional autonomy. Universities tend to consider some of the regulatory interventions as administrative infringement on academic decision-making. Although regulatory frameworks are established to promote academic standards and accountability, too much regulation may be perceived as undermining academic autonomy. This conflict between the regulation and autonomy is another feature of higher education governance in most parts of the world, and in India, it has been a prominent characteristic, mostly due to the historical autonomy enjoyed by many universities.

Another limitation is the question of legitimacy and feedback in the regulation processes. Despite the statutory power of the UGC, its rules are at times not perceived by academic circles as collegial governance tools, but as bureaucratic directives. The sensitivity of regulatory policies to institutional reality can be lowered by limited institutionalised means of systematic feedback by the university, faculty members, and other stakeholders. Consequently, the regulation systems might not necessarily be in line with the administrative hurdles that institutions offering academic programs face (Bhuiyan, 2026) [4].

4.4 UGC Reform under NEP 2020

Recent higher education reforms have proposed significant restructuring of India's regulatory architecture. The NEP 2020 recommends the establishment of VBSA as an umbrella regulatory body that would eventually replace existing institutions such as the UGC, NCTE, AICTE, etc. The proposed VBSA structure has specialised verticals responsible for academic standard-setting, regulation, and accreditation. This reform indicates recognition that the existing regulatory system, developed incrementally over several decades, has become fragmented and administratively complex.

The proposed restructuring intends to simplify governance structures, remove regulatory overlaps, and enhance coordination among regulatory bodies. By consolidating multiple regulatory functions within a single framework, policymakers expect to develop a more coherent governance architecture that would address the changing demands of professional training and higher education.

However, these reforms are yet to come into effect. Therefore, the UGC continues to function as the primary regulatory authority for university education, including commerce education. The transition to the proposed VBSA structure has been slow, creating a period of regulatory uncertainty for universities and colleges. Institutions should concurrently comply with existing UGC regulations and be ready to face the possible regulatory changes in the future.

This transitional context is relevant to HEIs of commerce education, which are undertaking curriculum reform, faculty recruitment and development of infrastructure. Institutional planning may be complicated by uncertainty about the future regulatory frameworks, and this may complicate the institutional planning and implementation of policies. However, the UGC continues to play a key role in maintaining academic standards, guiding curriculum revisions, and supporting institutional development in the higher education system of India.

In this regard, the regulatory role of the UGC remains a vital part of the governance architecture of commerce education. Its developmental initiatives, policy instruments, and academic regulations continue to influence the design, delivery, and quality assurance of commerce programs across the country.

5. Universities as Academic and Regulatory Intermediaries

The universities play a primary role in the governance structure of the Indian higher education sector as both the academic authorities and regulators. Although institutions like the UGC set up general principles of policy and regulatory parameters, it is up to the universities to enact the policies at the institutional level. They are allowed to develop the curriculum, oversee and assess student learning, as well as coordinate with affiliated colleges. Within the context of commerce education, where most of the programs are offered by affiliated colleges, universities are important in translating national regulations into operational academic practice.

5.1 Multiple Governance Roles of Universities

Universities have multiple governance roles to perform in the higher education system, where they function simultaneously as stakeholders in policy processes, academic institutions, and regulatory intermediaries.

(a) As regulatory intermediaries, universities implement regulations developed by external authorities, such as the UGC and translate broad policy frameworks into institutional rules and procedures. They design academic programs within national guidelines, conduct examinations, appoint faculty members, and allocate institutional resources in line with regulatory requirements.

(b) Simultaneously, universities function as academic institutions with their own internal governance structures. Senates, Syndicates, academic councils, boards of studies, finance committees, faculty committees, etc., are examples to internal governance structures. These structures exercise authority over academic matters such as curriculum design, pedagogical methods, and research priorities. Therefore, universities possess a degree of academic autonomy within the broader regulatory framework established by national authorities.

(c) Universities also assume the role of stakeholders in the governance process. They are involved in higher education policy consultations, advocate for institutional interests, and respond to regulatory reforms.

Such multiplicity of roles usually generates conflicts within the governance system. When external regulations contradict internal academic judgment, universities must reconcile regulatory compliance with institutional autonomy. In commerce education, universities must navigate regulatory expectations from multiple players, such as the UGC, accreditation agencies such as NAAC, professional bodies such as the ICAI, and employer groups who need graduates equipped with industry-relevant skills.

5.2 Internal Governance Structures for Commerce Education

In universities, commerce education is normally governed through departmental and faculty-level governance structures. Departments of Commerce generally maintain Boards of Studies, with faculty members, subject experts, and representatives from industry or professional organisations and alumni as members. These boards are responsible for designing curricula, specifying course content, recommending reference books, and specifying assessment methods. They also revise syllabi periodically to incorporate emerging developments in areas such as financial markets, corporate governance, taxation systems, business analytics, etc (Agarwal, 2009; Altbach, 2015) [1, 2].

At the university level (i.e., above the departmental level), the Academic Council functions as the principal academic body within the university. It (i.e., Academic Council) reviews and approves recommendations of Boards of Studies and other academic committees. It also ensures that curriculum revisions and academic policies align with institutional objectives and regulatory guidelines issued by national authorities. This process ensures a structured mechanism for curriculum governance that balances subject-specific expertise with wider institutional oversight.

Some universities also put in place curriculum committees or program committees to plan academically across the departments and faculties. These committees promote interdisciplinary, integrability and adherence to the national academic systems like CBCS. Moreover, a majority of universities have Internal Quality Assurance Cells (IQACs), which were introduced as part of accreditation models to foster the process of continuous quality improvement, self-evaluation and stakeholder feedback (Rini & Muhyidin, 2025) [21].

The performance of these internal governance structures is quite different across institutions. Professional universities are usually well-endowed with sound governance structures such as frequent curriculum review processes, open decision-making processes, and involvement of stakeholders. But small institutions, where resources are limited or the administrative capacity is small, tend to have a formal, but little substantive system of governance. In these situations, members of the faculty can be members of the governance bodies, but with little time or institutional resources to get actively involved in academic planning and quality improvement processes (Širec & Rožman, 2025) [23].

5.3 Universities and the Affiliated College System

An important feature of the Indian higher education system is the affiliated college system, where universities grant affiliation to colleges that meet prescribed academic and infrastructural standards. Affiliated colleges offer teaching programs, while universities provide curricula, conduct examinations, and award degrees. This institutional arrangement enabled the fast expansion of higher education by allowing universities to extend their academic jurisdiction across vast networks of colleges without having to establish new universities (Tilak, 2014) [24].

The affiliation system has been especially significant in the context of increased access to higher education in the area of commerce education. A large percentage of UG commerce students are in affiliated colleges, but not with the departments of universities. Notably, most of the universities offer only PG programs besides doctoral programs, but not UG programs. Although this system made higher education massification easy, it posed governance complexities. Universities are often responsible for overseeing hundreds of affiliated colleges with different degrees of infrastructure, faculty expertise and academic resources. It follows that universities need to align the academic standards in a diverse network of institutions (Varghese & Martin, 2014) [27].

Therefore, universities function as critical intermediaries between national regulatory bodies and local educational

institutions. They translate national policies into institutional academic practices and make sure that affiliated colleges stick to recommended curricula and examination standards. This regulatory role demands a lot of administrative coordination and institutional capability.

5.4 University Autonomy and Regulatory Compliance

One of the main problems of contemporary system of higher education governance is the way of implementing the right balance between institutional autonomy and regulatory governance. The traditional assertion of autonomy by universities is a precondition to academic freedom, intellectual innovation and good curriculum development. The overregulation by the outside world can inhibit academic initiative and constrain the ability to address new educational demands on the part of the institutions.

Notably, universities also work within the system of public accountability. As universities are often government-funded institutions that offer publicly recognised degrees, they are expected to ensure that they comply with the standards of regulation and limit their work to the wider goals of society, including the quality of education, equity, and employability. As a result of this, the governance systems need to find a balance between university autonomy and the external accountability mechanisms.

Recent policy changes under NEP 2020 prefer more autonomy of universities and stimulate multidisciplinary academic structures of universities and colleges. The policy suggests the establishment of large multidisciplinary institutions and encourages more self-regulation by internal quality assurance systems. However, the transition to greater autonomy has been complicated. Most of the universities face limitations associated with administrative capacity, faculty expertise, and financial resources. Meanwhile, the regulatory bodies have occasionally continued to provide comprehensive guidelines, which confuses as to the actual scope of institutional autonomy.

5.5 Universities and Multi-Stakeholder Governance

Effective governance of commerce education increasingly demands engagement with a broad range of stakeholders beyond universities themselves:

(a) Employers play a vital role in shaping expectations regarding graduate skills and employability;
(b) Professional bodies develop competency frameworks for professional qualifications in accounting, finance, and management; and
(c) Students and parents influence program demand and institutional choices, while alumni provide feedback on the relevance of academic training in professional contexts.

Contemporary literature on governance focuses on the significance of multi-stakeholder governance, where different actors participate in the institutional decision-making process. This can include employer representatives in the curriculum advisory boards, alumni in the program evaluation processes and industry professionals in guest lectures or internship programs in the study of commerce.

Despite these developments, there is still an uneven involvement of the stakeholders in the institutions. Most of the universities have formal stakeholder engagement processes but have minimal opportunities to serve as a source of external actors in the decision-making processes. The establishment of governance systems, which will enable various stakeholders to play constructive roles in the curriculum design and development of institutions, is an issue that continues to puzzle the governance of commerce education (Širec & Rožman, 2025) [23].

Despite these challenges, universities remain key actors in the governance architecture of commerce education in India. Their role as curriculum authorities, examination regulators, and coordinators of affiliated colleges places them at the intersection of national policy structures and institutional practice. Through their internal governance structures and regulatory responsibilities, universities translate national regulatory directives into operational academic programs that influence the educational experiences of commerce students nationally. Strengthening institutional capacity within universities, especially the contents of the curriculum, quality management, and stakeholder consultation will then continue to play an imperative role in enhancing the efficiency of governance structures in commerce education.

6. Accreditation and Quality Assurance Mechanisms

The concept of quality assurance has increasingly become a key part of higher education governance across the globe, especially in systems where the amount of institutional expansion and institutional diversification has been relatively high. With the increasing numbers and complexity of colleges and universities, the role of regulatory bodies in the control of academic standards and institutional responsibility has been taken over by assessment and accreditation systems. In India, accreditation systems supplement the regulatory functions of universities and national bodies like the UGC. In the case of commerce education, offered by almost all universities, autonomous universities and other affiliated colleges, accreditation systems serve the purpose of providing the structure by which continued quality improvement and institutional performance evaluation are encouraged.

6.1 Institutional Accreditation: NAAC Framework and Processes

The principal accreditation mechanism in Indian higher education is the NAAC, established in 1994 as an autonomous body under the UGC. NAAC was created to address concerns about variations in academic quality across HEIs and to establish a systematic framework for evaluating institutional performance (Agarwal, 2009; Varghese & Martin, 2014) [1, 27]. Through periodic accreditation cycles, NAAC assesses universities and colleges against defined quality criteria and assigns accreditation grades that signal institutional quality to students and their parents, policymakers, and other stakeholders.

The accreditation framework of NAAC considers seven broader criteria that include Curricular Aspects; Teaching, Learning and Evaluation; Research, Innovation and Extension; Infrastructure and Learning Resources; Student Support and Progression; Governance, Leadership and Management; and Institutional Values and Best Practices. These criteria are used to evaluate the academic processes, governance practices, research output and resources of HEIs.

The accreditation is usually associated with a number of stages. An institution applying for accreditation prepares a Self-Study Report (SSR), which is a document that describes the academic programs, governance systems,

infrastructure, and quality assurance systems. The preparation of SSR is a thorough form of self-assessment of institutions and involves spending several months gathering data and internal analysis. After the submission of the SSR, NAAC appoints a peer review team comprising scholarly and subject specialists that inspects the institution. During the visit, the team reviews documentary evidence, interacts with faculty members, students, alumni, parents, etc., observes facilities in the institution, and evaluates academic functioning.

After the visit, the team provides a comprehensive evaluation report to the NAAC. According to the evaluative analysis of both quantitative and qualitative measures, NAAC evaluates and awards a Cumulative Grade Point Average (CGPA) on a four-point scale of 0-4. The CGPA is related to grades of accreditation between A++ (best) and D (poorest), which reflect the overall quality profile of the institution (Kumari, 2025) [16].

6.2 NAAC Quality Criteria and Their Application to Commerce Education

In the field of commerce education, the quality requirements of NAAC are translated into a few assessment dimensions. In relation to the "Curricular Aspects" criterion, NAAC assesses the design of curricula with well-defined learning outcomes, programs that capture the changes in disciplinary developments, and periodic review of curricula by the institutions in response to changing professional demands. In the case of commerce programs, this involves evaluating the ability of curricula to offer strong foundations in accounting, finance, economics and business management, and incorporate the new frontier of financial technology (FinTech), sustainability, corporate governance, and data analytics.

The "Teaching-Learning and Evaluation" criterion focuses on the teaching and learning processes, faculty credentials, methods of assessment and student learning outcomes. The accreditation reviews determine the specialisation of the academic qualification of the faculty members in the disciplines of commerce and the possibility of professional development and pedagogical training in institutions. The institutions are also assessed in terms of application of new instructional methods such as case-based learning, project-based assignments, and technology-based instruction. When applied in the field of commerce, this has been regarded as a necessity in equipping students in the field with analytical and problem-solving skills needed for employment in business and other financial professions (Harvey & Williams, 2010) [9].

The other significant dimension is "Research, Innovation and Extension" that measures the research output by the faculty members, the research infrastructure facilities and the relevance of academic research to society. Although research productivity can be different in various institutions, NAAC urges universities and colleges to foster the spirit of scholarly activity and incorporate research-based learning in the educational programs. Research in the case of commerce education usually concerns financial markets, corporate governance, and public policy, and economic development.

"Governance, Leadership and Management" criterion measures the institutional governance practices and administrative effectiveness. The accreditation agencies analyse whether the institutions have transparent decision-making processes, apply internal quality assurance mechanisms, and engage stakeholders in the realisation of academic planning. Impression of good governance systems is considered to be crucial to sustaining standards in academics and facilitating sustained improvement of the institutions (Dill and Beerkens, 2010) [8].

6.3 Challenges and Limitations of NAAC Accreditation

Although it has contributed to quality assurance, the NAAC accreditation system has a variety of limitations and operational problems. A common issue that is being discussed is associated with the compliance-based strategy adopted by many institutions. Some institutions do not strive to use accreditation as the means of true institutional advancement, but rather aim to produce the documentation that would meet the accreditation standards. Consequently, the accreditation processes may sometimes emphasise procedural conformity instead of qualitative advances in the pedagogical and learning actions (Ulkhaq *et al*., 2026) [26].

The other issue is the weakness of the quantitative performance indicators as applied in accreditation evaluation. The metrics on which NAAC is greatly dependent include the qualifications of the faculty members, the number of research publications, the presence of infrastructures, indicators of student performance, etc. As much as these metrics can offer objective data for benchmarking, they may not be entirely detailed to qualitative data of academic quality like pedagogical efficacy, development of critical thinking or institutional culture. Education programs in commerce teach both theoretical knowledge and applied professional skills, and may involve learning outcomes that are not easily measurable through quantitative indicators alone (Rini & Muhyidin, 2025) [21].

Variability in implementation is another challenge to the accreditation process. The validity of accreditation results is heavily reliant on the knowledge and hard work of peer review teams that carry out institutional evaluations. Peer group composition and evaluation practice may vary between institutions because of differences in their composition and evaluation practices. Certain review teams perform an intensive checking of institutional claims, while others might simply depend more on institutional documentation without extensive independent verification (Kairanbayev & David, 2025) [12].

The other weakness is associated with the institutional nature of NAAC accreditation. NAAC reviews institutions collectively instead of reviewing individual academic programs. Therefore, differences in quality between different departments or programs of study in the same institution could be concealed in the overall institutional accreditation grades. Professional or disciplinary accreditation of program level in commerce education may also accompany institutional accreditation, but these systems are not yet available systematically in the field (Sesay, 2026) [22].

6.4 Professional and Specialised Accreditation in Commerce Education

Along with the institutional accreditation, the commerce education is connected to the systems of professional accreditation linked with professional organisations. The competency frameworks and curriculum expectations of professional qualifications are set by organisations like the ICAI and the Institute of Cost Accountants of India

(ICMAI). Universities tend to match the commerce curricula to these needs in order to provide a graduate with the knowledge base of what is needed to qualify for a professional certification.

Other management-focused commerce programs are also accredited by other international organisations like AACSB or the European Foundation of Management Development (EFMD). These professional accreditation models present new standards concerning curricular design, faculty qualification, professional interaction, and globalisation. As a result, the organisations providing commerce education can be subject to several layers of overlapping accreditation systems, such as NAAC institutional accreditation, professional body accreditation, and international quality assurance models (Jafarov, 2024) [11].

Nevertheless, the coordination between these accreditation systems is limited. A high NAAC accreditation grade does not always imply that a specific institution has passed the professional accreditation standards, and the other way round. Such a failure to coordinate may create confusion with respect to the institutional quality and administrative strains to those institutions trying to address several accreditation requirements. Institutional and professional accreditation frameworks have also been attempted to be combined, but they are still in the initial phase of development (Kayal & Khalife, 2025) [14].

6.5 Emerging Issues in Quality Assurance

Digital learning and outcomes-based education are developing to have a greater impact on quality assurance practices in HEIs. COVID-19 made online and blended learning models more popular in universities and colleges. The digital teaching platform, virtual classroom and online learning materials are being increasingly integrated in commerce education programs. These changes have brought about new governance issues associated with digital infrastructure, student interaction and quality assurance of online learning space.

The accreditation models that were initially created to assess face-to-face learning would need to be adjusted to assess online learning modes. Doubts are cast on the comparability of learning outcomes in online and traditional formats, ways of confirming the participation and scholarship of students in online settings, and the assessment of virtual learning infrastructure.

The other problem arising is that of measuring student learning outcomes. The new accreditation frameworks tend to focus more on outcome-based assessment as opposed to depending on the usual examination outcomes. Institutions will be asked to show the way in which they assess learning outcomes in programs, how they gather evidence about student learning, and how they utilise the evidence to develop their curricula. Within the field of commerce, this involves evaluation of such competencies as financial analysis, business decision-making, communication skills, and teamwork. There are, however, several institutions that do not have the institutional research capacity and data systems to apply sound outcome assessment processes (Mahalingam, 2025) [17].

The accreditation and quality assurance processes are an important part of the governance framework of Indian higher education. Accreditation agencies facilitate transparency, institutional accountability and sustained improvement of academic programs through systematic evaluation processes. In the case of commerce education, these mechanisms ensure that academic standards are upheld, that there is innovation in the curriculum and pedagogy and the academic credibility of higher education qualifications in an increasingly competitive educational landscape is enhanced.

7. Emerging Challenges in the Governance of Commerce Education

Although there is an extensive regulatory framework, the management of commerce education in India is still struggling with a few emerging challenges. These issues are brought about by institutional complexity, rapid expansion of programs and a changing expectation by both industry and society. With the evolving system of higher education and increasing diversification, this also demands the adjustment of the regulatory mechanisms to ensure the academic quality and coordination of policy and institutional accountability. Against this context, this section focuses on the structural and operational issues that have influenced the governance architecture of commerce education and also identifies the areas that need to be addressed by policies.

7.1 Regulatory Fragmentation and Coordination Problems

A major governance issue related to commerce education is the fragmented regulatory authority distributed among many institutions. The governance is shared among the national regulatory bodies, accreditation agencies, state governments, professional councils and other regulators specific to their respective sectors. Also, organisations delivering interdisciplinary programs can be regulated by systems related to technical or professional education. Such delegation of powers is an indicator of the federal form of governance in India and how the higher education regulatory system has taken shape over the years, but it also poses the coordination problem among multiple regulatory bodies (Bhuiyan, 2026) [4].

The presence of multiple regulatory actors usually results in overlapping mandates and inconsistent policy directives. Government authorities determine funding policies, universities regulate curricula and examinations, accreditation agencies evaluate institutional performance, and professional bodies define competency frameworks. Therefore, the institutions providing commerce education must respond to multiple regulatory expectations simultaneously. An HEI may receive suggestions from NAAC in regard to quality assurance, while professional bodies focus on different curricular priorities. Under certain circumstances, guidelines issued by national regulatory agencies may differ from directives issued by state governments. Such regulatory pluralism can create administrative complexity and uncertainty regarding institutional responsibilities (Agarwal, 2009; Varghese & Martin, 2014) [1, 27].

7.2 Quality Assurance: Compliance vs. Substantive Improvement

Another important challenge is in relation to the tendency for quality assurance mechanisms to emphasise regulatory compliance instead of substantive institutional improvement. Accreditation frameworks demand institutions to produce extensive documentation, including self-study reports, statistical indicators, and performance

records. Although this documentation is necessary for institutional evaluation, many institutions focus primarily on satisfying accreditation requirements instead of implementing meaningful academic reforms. One illustration of this is where institutions might gather information about graduate employment or research publications to meet accreditation requirements, but they might not use this information to make systematic use of it to enhance curriculum design or teaching. The faculty members can be involved in internal quality assurance processes primarily to meet the regulatory requirements and not as a continuous improvement process. As a result, quality assurance procedures may often be metamorphoses of bureaucracy as opposed to engines that arouse pedagogical innovations or academic excellence (Ulkhaq *et al*., 2026) [26].

The compliance orientation is evidence of limitations of quality assurance system. The accreditation cycles are usually provided every five to seven years, and this implies that feedback is not timely integrated into the institutional planning. Institutions that have good administrative capacity can also excel even in accreditation exercises, just because they are in a position to come up with more detailed documentation. It is necessary to overcome these problems by moving the quality assurance mechanisms to continuous improvement models integrated into the daily institutional operations, instead of periodic evaluations based on compliance (Rini & Muhyidin, 2025) [21].

7.3 Digital Divide and Equity in Access to Commerce Education

Digital equity and access have become an issue of new governance introduced by the rapid growth of digital education, especially in the post-COVID-19 period. Teaching, assessment, and academic administration in universities and colleges are more and more based on digital platforms. Nonetheless, there are substantial differences in institutional capability to fund digital education.

Due to their greater financial base, universities and institutions in urban areas can maintain a sophisticated digital infrastructure, such as learning management systems (LMS), high-speed internet access, and trained faculty in online pedagogy. Conversely, under-resourced or rural institutions often have problems with offering credible digital learning settings because of the limitations of infrastructure and insufficient technological support. Learners with low socio-economic status can also have certain problems with access to digital devices or a reliable internet connection.

These differences play significant roles in terms of equity in commerce education. Online learning can offer interactive environments and superior digital tools to those students who have been enrolled on resource-rich institutions, whereas those students who are less privileged might only have access to ineffective digital learning. The current regulatory frameworks have yet to deal with these issues fully. Accreditation requirements tend to measure the existence of computer infrastructure but fail to review the efficiency of online learning settings or student learning results in computer-based platforms in a systematic manner (Venkareddy, 2025) [28].

7.4 Misalignment Between Academic Regulation and Labour Market Demands

The other governance issue is that of misalignment between the academic curricula and the labour market requirements. Traditional commerce education has been grounded on disciplinary knowledge, including accounting principles, economic theory and management concepts. Nevertheless, modern employers are more demanding of graduates possessing such practical skills as financial analytics, digital commerce, data analysis, sustainability consciousness, and technological literacy.

The regulatory systems that are more geared towards providing disciplinary coverage tend to fail to meet these fast-changing skill requirements. Reforms in the curriculum process at a slow pace, which is related to the process of obtaining regulatory approvals, institutional inertia, and a scanty faculty to teach new topics. Graduates can, therefore, have the best theoretical background yet lack the practical training that makes them industry-specific in terms of knowledge of technologies or professionalism.

Professional organisations like the ICAI are not an exception since technological advances transform the way professionals work. New technologies like automation, financial systems based on blockchains, and live financial reporting demand new skills that might not be well-addressed in traditional academic programs. To correct this mismatch, there is a need to have greater cooperation among the universities, the regulators, the professional organisations, and the industry players.

7.5 Faculty Capacity and Pedagogical Innovation

Another issue is related to faculty capacity and pedagogical growth, which are extremely important factors in the quality of education. A good number of faculty members who deliver commerce programs have been trained in the traditional lecture-based teaching models and might have little exposure to the modern pedagogical methods, including experiential education, case-based learning, project-based learning, or technology-assisted teaching.

The current governance systems tend to focus on the output of research and academic level of education in gauging faculty performance and have few incentives to innovate pedagogy. Research publications are often given preference over teaching excellence in promotion systems in universities. Due to this, the institutional incentives of faculty members to invest time and effort in emerging innovative teaching techniques might be very low.

The adoption of digital technologies into the field of commerce education enhances the significance of faculty education and professional growth further. The usage of digital tools involves the competencies of designing online courses, digital formats of assessment, and student interaction within the virtual learning environment. Nonetheless, most of the institutions are yet to develop systematic faculty development programs (FDPs) on these fronts. This could thus mean that the standard of teaching in institutions could be greatly different in relation to the experiences of the faculty members and the support systems at the institutions (Damor & Patel, 2025; Kalita & Goswamee, 2025) [7, 13].

These new challenges demonstrate how the administration of commerce education is a complicated issue in the context of a huge and varied system of higher education. The success of governance systems is influenced by regulatory fragmentation, quality assurance that is based on compliance, digital inequalities, labour market distortion, and constraints in faculty capacity. To deal with these problems, it is necessary to have a greater coordination of the regulative authorities, greater institutional capacity of the universities and colleges, and more receptive regulatory machinery responsive to the shifting educational and economic conditions.

Strengthening the systems of governance will thus be critical in the maintenance of commerce education in offering quality, relevant and accessible academic programs that are able to prepare graduates to work in a fast-changing professional environment.

8. Towards a Coherent Regulatory Architecture

The above discussion brings the point to the fore that though India has established an extensive system of regulatory framework that controls the higher education sector, governance of commerce education is still affected by the issues of dissemination, lack of coordination, and institutional heterogeneity. Rapid expansion of programs, technological change and the changing labour market demands have added to the complexities of governance arrangements. To overcome such challenges, there is a need to design a more coherent regulatory architecture that will balance regulatory supervision and institutional autonomy, coupled with spurring academic innovation and accountability. Against this context, this section outlines important principles and policy directions that could be used to strengthen the governance frameworks for commerce education in India.

8.1 Principles for Governance Coherence

To develop a proper regulatory structure, it is important to consider a few important governance principles as outlined below:

(a) "Subsidiarity" is one of the significant principles. It proposes that the decisions must be made at the most suitable institutional level, which is capable of handling them effectively. The kind of decision that can be made on academic and pedagogical issues like course design, instructional methods, specialisation of a program, etc., is often best carried out by the faculty and the institutions that are aware of local academic settings. On the contrary, those issues that involve system-wide norms, including standards of minimum academic requirements or quality standards, might need central coordination. Using the subsidiarity principle thus entails having the differentiation of those decisions which must be regulated nationally and those that can be handled at the institutional levels (Bhuiyan, 2026) [4].

(b) "Accountability" is another principle, which requires institutions and regulators to demonstrate that educational activities achieve intended outcomes. Colleges that obtain government funding need to demonstrate the results of academic performance publicly, the quality assurance procedures, and the education outcomes. Simultaneously, regulatory bodies themselves are to be responsible for making sure that the policies adopted by them contribute to educational quality. In most regulatory frameworks, institutional accountability is given priority, whereas regulatory accountability is given relatively little attention. The effectiveness and credibility of governance systems can be improved through the strengthening of accountability mechanisms for both institutions and regulators (Rini & Muhyidin, 2025) [21].

(c) The third principle is "proportionality," which states that the intensity of regulation must be proportional to the institutional capacity and risk. The existence of large research universities that have a well-established internal system of governance could enable them to be more institutionally autonomous, whereas smaller teaching-oriented colleges might need more regulatory oversight. Homogenous regulatory systems that are used in all types of institutions can thus impose unjustifiable administrative costs on certain institutions, while failing to address governance challenges in others.

(d) Lastly, good governance entails "coordination" among the regulatory bodies. When several controlling bodies exist in the same sector, more precise coordination systems are necessary to prevent repetitions, conflicting policies and bureaucracies. The regulatory authorities, like the UGC, NAAC, professional institutions, and the state governments, are encouraged to have systematic communication and collaboration systems to bring the objectives of regulation and institutional expectations into harmony (Bhuiyan, 2026) [4].

8.2 Structural Reforms toward VBSA and Unified Regulation

The recent policy changes have aimed at tackling the issues of regulatory fragmentation by proposing structural reorganisation of higher education governance. The NEP 2020 suggests the establishment of VBSA as a single regulatory body for higher education. The proposed VBSA framework would integrate a few regulatory roles that are currently undertaken by individual institutions, such as regulation, accreditation, funding, and academic standard-setting.

The proposed system of governance will also consist of specialised verticals that will cover various regulatory roles, which are accreditation, provision of funding, and development of academic standards. Through the merging of these functions under one institutional body, the policymakers aim at minimising the regulatory overlaps, as well as offering a more sensible governance framework to the HEIs.

Nevertheless, the shift to the single regulatory system also poses certain challenges. Although consolidation of regulation might ease governance structure, excessive centralisation might also constrain institutional autonomy and academic innovativeness. A proper balance must be maintained between central coordination and institutional flexibility. Effective execution of such reforms needs to be accompanied by open policy procedures, consultative engagement of stakeholders and protection mechanisms that sustain academic autonomy in the institutions.

8.3 Strengthening Internal Governance and Quality Culture

While structural reforms to national regulatory institutions are important, effective governance of commerce education

also depends on strengthening internal governance mechanisms within universities and colleges. Institutions must develop robust systems for academic planning, curriculum development, and quality assurance that operate effectively within institutional contexts. Strengthening boards of studies, academic councils, and IQACs can improve institutional capacity to manage curriculum reform and academic innovation.

Developing a strong institutional quality culture is especially significant for sustaining long-term improvement in educational quality. Quality assurance should not be limited to compliance with accreditation requirements but should become embedded within everyday academic practices. Institutions should encourage faculty members and students to engage actively in discussions related to curriculum improvement, academic quality, and learning outcomes. Continuous quality improvement demands systematic data collection, evaluation of student learning outcomes, and integration of feedback into curriculum design and teaching practices (Širec & Rožman, 2025) [23].

A more lenient and result-focused regulatory strategy can also be achieved by strengthening internal governance mechanisms and allowing regulatory authorities to pursue lighter and more lenient regulatory strategies. External regulators can change their prescriptive oversight models to performance-based assessment models when the institutions show good systems of internal accountability and quality assurance.

8.4 Enhancing Multi-Stakeholder Engagement

Another important dimension of governance reform relates to strengthening multi-stakeholder engagement in commerce education. Effective governance systems increasingly recognise the significance of involving diverse stakeholders in academic decision-making processes. Community representatives, employers, professional bodies, students, alumni, etc., can offer valuable perspectives on emerging professional requirements, curriculum relevance, and graduate employability.

The involvement of professional bodies like ICAI and other professional associations in commerce education may serve to benchmark academic programs in accordance with the changing practice in the industry. Employer participation in curriculum advisory committees and internship programs can provide practical insights into labour market expectations. Alumni networks can provide valuable feedback regarding the effectiveness of academic programs in preparing graduates for professional careers.

The role of students in the governance processes is also necessary in ensuring that the educational programs are responsive to the needs and expectations of the learners. Constructive involvement of students in the teaching quality and curriculum development discussions can be made possible by institutional surveys, student feedback mechanisms, and participatory governance forums.

Although most institutions have formal stakeholder engagement mechanisms in place, stakeholder impact on institutional decision-making is, in most cases, minimal. Developing meaningful consultation processes and transparent communication channels can strengthen stakeholder participation and enhance the responsiveness of commerce education programs to societal needs (Širec & Rožman, 2025; Jafarov, 2024) [23, 11].

Therefore, building a coherent regulatory architecture for commerce education demands a combination of structural reforms, strengthened institutional governance, and improved stakeholder engagement. Curricular innovation, regulatory coordination, balanced autonomy, and outcome-oriented quality assurance must operate together to support effective governance. By addressing these priorities, India's higher education system can create a governance framework capable of supporting both academic excellence and professional relevance in commerce education.

9. Conclusion

The governance and regulatory architecture of commerce education in India has evolved through decades of institutional development, policy reform, and expansion of the higher education system. Commerce education is one of the most popular and largest streams of Indian higher education today, with large numbers of students enrolling in different universities, affiliated colleges and even in individual institutions. This expansion has heightened the need to have efficient governance systems that can sustain academic quality, institutional accountability, and bring about quality in a large and diverse institution.

This study has shown that the governance of commerce education exists in a multi-layered system comprising national regulatory bodies, universities, accreditation agencies, professional associations, and state governments. UGC is at the centre of setting regulatory standards, policy frameworks and developmental projects that govern HEIs. Universities act as academic intermediaries, translating these regulatory frameworks into operational realities through curriculum design, examination and subsequent oversight of the colleges they serve. The accreditation bodies, like the NAAC, play a key role in quality assurance by bringing about systematic institutional assessment procedures. These actors create an architecture of governance that influences the organisation and quality of commerce education in India.

Nevertheless, the study also points out some persistent challenges in these governance frameworks. Decentralisation of control in a few regulatory bodies has produced fragmented regulatory control and coordination challenges. The overlapping of mandates provided by regulatory agencies presents a difficult challenge to institutions, which in some instances leads to administrative complexities and compliance overloads. The proliferation of commerce programs in thousands of institutions has also heightened issues concerning the assurance of quality, the availability of faculty, differences in infrastructure and the relevance of curriculum. The new challenges are also compounded by new trends like online learning, interdisciplinary learning approaches, and fast-changing labour market demands.

The policy reforms that have been implemented under the NEP 2020 are some of the efforts to overcome some of these structural issues. Some of the proposals, like VBSA, are suggested to streamline the regulatory set-up and establish a more coherent system of governance. Meanwhile, the policy focuses on institutional independence, learning grounded in multidisciplinary, and adaptable academic pathways that can transform the future form of commerce education. However, the process of reform is still in progress, and the move on to an integrated regulatory framework will need to be handled with great care so that institutional autonomy, academic diversity and stakeholder participation are preserved.

To govern commerce education better, one needs to focus on a few dimensions that relate to each other. In the form of structure, regulatory coordination should be enhanced to minimise duplication and to seek to clarify the institutional roles. Governance systems should functionally shift to a more outcome-based assessment system with a focus on learning outcomes and graduate competencies as opposed to procedural compliance. At the institutional level, universities and colleges need to come up with more robust internal governance frameworks comprising good curriculum review mechanisms, internal quality assurance mechanisms, and stakeholder engagement structures. Capacity building is also necessary - institutions will need an investment in faculty building, digital infrastructure, and the institutional research capacity to practically execute governance reforms.

The issues found in the present study, such as regulatory fragmentation, compliance-based quality assurance regimes, digital inequities, the misalignment of the labour market, and faculty capability disparities, cannot be solved by means of structural reforms only. The solution to these problems lies in the long-term partnership between governments, regulatory bodies, universities, professional organisations, faculty members, and business partners. Good governance is not just about the design of regulations, but it also requires institutions to be capable of implementing policies, as well as the development of a strong academic culture that is dedicated towards constant improvement.

Looking ahead, it can be stated that a few priorities can be identified to enhance the governance of commerce education. These are: accelerating the development of coordinated regulatory frameworks, improving alignment between institutional accreditation and professional accreditation systems, investing in institutional governance capacity, and integrating quality assurance processes into routine academic practice instead of treating them as periodic compliance exercises. Addressing digital equity issues and strengthening industry engagement will also be essential to ensure that commerce education remains accessible, relevant, and responsive to contemporary economic realities.

Finally, the governance architecture of commerce education must balance several competing objectives: regulatory oversight and institutional autonomy, standardisation and innovation, and accountability and academic freedom. Achieving this balance is necessary for ensuring that commerce education continues to produce graduates equipped with the knowledge, skills, and professional competencies required in an increasingly complex economic environment. While the challenges are substantial, ongoing policy reforms and institutional initiatives provide an opportunity to develop a more coherent, responsive, and effective governance system capable of supporting the future development of commerce education in India.

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