Asian Journal of Multidisciplinary Studies
Volume 2, Issue 11, November 2014

ISSN: 2321-8819 (Online)
2348-7186 (Print)
Impact Factor: 0.923

Privatization of Higher Education and its Implication in India

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Abstract: Developing nations like India having a unique trajectory of traditionally hierarchical society with a specific socio-political and economic context, with escalating cost on one hand and increasing needs on the other as the high population, higher studies has become a scarce resource. It shows that there has been a continuous elite domination on the one hand and perpetual marginalization on the other, over the accessibility of this scarce resource. Critical evaluation on the impact of education would show that only a section of elite groups benefited, contradictory to the fact that a huge subsidization made at the cost of the poor. Although India made huge investment in higher education; its returns have not been impressive. It has been projected that private returns are higher than social returns from higher education. It faces other challenges as to bring more you young people into the higher education fold, as well as to significantly focus on building quality and global competitiveness to produce educated and skilled labor force to keep pace with the growing Indian economy. Private funding is highly required and welcome to fill up this huge gap. Increasing democratization would gradually change elite domination in higher education. But sometimes consequences of massive privatization are commodification of knowledge; social values of education eventually be replaced by market values, alarming rate of unemployment, social unrest, slow economic growth and economic disparities. Therefore privatization is required in a controlled fashion and private education providers are required to be adherent to some legal framework.

Key Words: Higher Education, Globalization, Privatization, Economy, Quality, Policy

Introduction: Traditionally the entire cost of higher education was borne by the State, almost all over the world. But providing good quality education at an affordable price to millions becomes a difficult challenge for any developing nation with passage of time. So the budgetary allocations to education have been cut gradually in some countries. As a result, there is a shift from exclusive dependence on government or tax payers to some reliance on students. Though growth of private institutions more or less follows the same pattern but still varies in different parts of the world. When Western Europe is dominated by public institutions the US still remains remarkably stable in its public-private dispensation. USA has private enrolment almost comparable to that of India. Asia is the region where private boom has really taken off. Malaysia, Singapore and Japan, with over 90% of private share in higher education enrolment, are leading nations where there is now predominant private sector in higher education. Philippines, Indonesia, South Korea too have share of more than 70% in private enrolment (1). The private initiative in higher education has not been a new phenomenon in India, for instance, some of the prestigious modern universities in India even established by the efforts of certain dedicated individuals with private financial aid.

Background of the Study: The feature of private growth in India is that is state-based. States which had better social and economic indicators led the surge in private growth in India. The decade of 1970's mark the beginning of this surge in southern and western parts of India-the states of Karnataka, Andhra Pradesh, Tamil Nadu and Maharashtra. It is only much later that some northern states saw growth in private colleges'. The concept of private institution, in the initial stage gained public image from its inception and became a normative language in the domain of philanthropy but in post-colonial India the phenomena of privatization of higher education has been debated much. Definitely, the burgeoning privatisation has reduced pressure on public colleges, but it is hard to claim that private institutions have brought about great improvements in curriculum, teaching methodology, research and development, and learning outcomes. Reflecting on the findings of a confidential report by the National Assessment and Accreditation Council, which is affiliated to the University Grants Commission (UGC), Prime Minister Manmohan Singh expressed his serious concern over Higher Education in 2007 'Our university system is, in many parts, in a state of disrepair...In almost half the districts in the country, higher education enrollments are abysmally low, almost two-third of our universities and 90 per cent of our colleges are rated as below average on quality parameters' Though this sector has rapidly expanded in the country, yet there is in inequality in growth, access and distribution. Dadra and Nagar Haveli and Lakhsadeep have hardly any institute of higher learning (2) and there are a significant number of first generation school-goers who are now in their med-school phase (3). 40% of all students enrolled in higher education are women, ranging from a low of 24% in Bihar to a

high of 60% in Kerala. India is expected to have a population of 15–35 years age bracket at about 485 million in 2030. Providing affordable, good quality, globally relevant higher education to such huge numbers remains one of the biggest problems unless it is able to get its act together and put in place a wide range of mechanisms; India will be staring at a tsunami of young people approaching higher education (4).

Objective: The aim of this study is to establish the role of privatization of higher education in India if it can fulfill the basic objectives like, to reduce the number of public funded colleges and universities, authorize decentralization of academic administration and promote creativity, innovation and higher standard with the following targets.

► Increase Number of Universities

► Towards a Learning Society

►Innovative Practices and Researches

►Student-Centred Education and Dynamic Methods

►Provide Need Based Job-Oriented Courses

►International Collaboration

►Cross Culture Programmes

►Quality Development

►Encouraging Creativity in Teaching Methods

►World Class Education

►Industry and Academia Connection

►Examination Reforms

►Part Time Job to Needy Students

►Tuition Fee Waived or Scholarships to Poor Students

►Assistance for Soft Education Loan

Critical Review of the Study: Regulation of higher education system has been a cause for concern for a long time. India inherited a British legacy of affiliating type of colleges. Over a period some of the older Universities such as Pune, Mumbai, Delhi have more than 500 affiliated colleges; university system has become complex and difficult to govern properly. UGC has formulated plans and guidelines to grant autonomy to deserving institutions (5). The number of higher educational institutions (HEIs) has increased from about 30 universities and 695 colleges in 1950-51 to about 700 universities (as of 2012-13) and 35,000 colleges (as of 2011-12) as per a recent UGC report. With an annual enrolment of above 25 million (including enrolment under Open and Distance Learning system), India is today ranked as the third largest higher education system in the world after US and China. Though India has witnessed a tremendous growth in higher education (Table-1) challenges in the developing countries are in twofold; narrowing unequal accessibility between several social and cultural groups, and satisfying the requirements of the global market.

Table-1 Higher Education Institutions (Universities and Colleges) in India (6, 7)

Type of Institution	Number	E.g.
Central Universities (Public)	44	University of Delhi
State Universities (Public)	306	University of Mumbai
State Universities (Private)	154	Amity University
Deemed Universities (Private or Public)	129	Tata Institute of Social Sciences
Institution of National Importance (Public)	67	Indian Institute of Technology
Total Degree-granting Institutions	700	
Affiliated Colleges (Public or Private)	35,539	
Number of Students Enrolled (Regular)	20 million	
Number of Teachers	< 1 million	

Quantitative expansion of higher education has not taken care of inclusion of the underprivileged and vulnerable sections of the society. The representation of SC, ST, OBC, women and minority community in colleges and universities remains low. Students from rural schools are often in a position of disadvantage when it comes to seeking admissions in good urban colleges. There is a wide disparity in higher education Gross Enrolment Ratios (GERs) across states, urban and rural areas, gender, and communities. According to Ernst & Young–FICCI (2011), the GER in urban areas is 23.8 per cent while in rural areas it is a poor 7.5 per cent. Delhi has a GER of 31.9 per cent whereas Assam lags behind at 8.3 per cent. India is already reeling under the rich–poor and rural–urban divide. Reports put out by National Assessment and Accreditation Council (NAAC) have time and again emphasized that most of the higher education institutions face an acute problem in terms of shortage of academic and physical infrastructure. National Association of Software and Services Companies (NASSCOM)–McKinsey Report (2005) found out that a mere 25 per cent of technical and 10 per cent of non-technical graduates are actually employable. Neo-liberal policies were doctrinated in higher education with consensus from the business establishments, to make education a profitable market venture in favor of industrialists. Profit motives and political influences of the private education providers led to the outgrowth of capitation fee of these colleges. It has been reported that many of the private educational institutions were to be non-viable and mediocre. It was largely due to the poor quality of delivery in their services and inadequate enrolment rates of students. There were 21 fake universities illegally operating throughout India. But the concept of autonomous

college and program for their establishment brought severe criticism mainly because of the failure of delivering better education. Certain parochial tendencies like involvement of politicians in managing self-financing colleges, economic status of certain privileged caste including minority status, and the privileges of dominant caste/status in the community made the domain of educational system into adverse position. It has also noted that when elite higher education prepares a small ruling class for broad roles in government and society, mass higher education undertakes transmission of knowledge and prepares students for both technical and economic roles. The present approach towards higher education is governed by the National Policy on Education (NPE) of 1986 that outlines a series of steps including encouraging autonomy, specialisation, vocationalisation, emphasis on research and development to meet to meet the manpower needs of dynamic economy of the country.

Many students across the world chose abroad for higher studies. It gives a broader horizon and a richer cultural understanding. Though Asia is on the radar in this race, sadly, India, at present, is nowhere in the picture. In 1995, the Malaysian Government was faced with a situation where 20 per cent of Malaysian students studied abroad. This cost the country an estimated $800 million, nearly 12 per cent of the country's current account deficit. To tackle this, previous regulations that prevented the private sector and foreign universities from conferring degrees were dismantled and new regulatory frameworks were put in place. With no private colleges in 1980, there are 173 private universities in China in 2003. China has even started medical degree courses in English for Indian students who seek decent education at affordable cost. India's public expenditure on higher education as a percentage of Gross Domestic Product (GDP) is 0.6 per cent (Ernst & Young–FICCI 2009), which is much less than what other nations such as United States (US), United Kingdom (UK) and China spend on a per-student basis.

Every aspect of higher education in this country is tightly governed. right from land requirements, building plan and needs of instructional, administrative and amenities' area, to computers, software and even subscription of e-journals. In fact, the norms even prescribe how much area should be allotted for staircases, entrance lobby to course curriculum, students' intake and so on. However, many of India's colleges and universities — both private and public — face acute shortages of faculty, ill-equipped libraries, outdated curricula, and poor infra-structure. Building a good educational institution requires a great deal of financial resources. It may actually be better for it to allow legitimate profits in higher education and derive revenues from service tax on tuition incomes and income tax on surpluses made by the institutions. The income made from these corporate education entities can then be ploughed back into education. The present structure in fact dissuades serious entrepreneurs from putting their equity into this sector. It is indeed ironical that all the regulations have not really managed to keep out players who view education merely as a business with potential high returns; many of the private universities and colleges are run by the dubious section of the political class in this country. Just as all companies are required by law to publish annual reports providing their financial details — specifying their assets, liabilities, profits and losses, the profiles of the board of directors and the management, and various other financial information —every educational institution (whether public or private) should publish such reports at regular intervals, with details of the infrastructure and facilities available, profiles of the trustees and the administrators, the academic qualifications and experience of the staff, the courses offered, the number of students, the results of the examinations, the amount of funds available to the university and the sources of funding, and so on. This will bring in transparency and ensure that every educational institution is accountable not only to the current students but to prospective students and the public at large.

In much of the west, especially in the US, the private providers of higher education are huge philanthropic and charitable endowments which are of a non-profit nature. But unfortunately, in India, private for-profit higher education institutions were allowed as a matter of routine. In fact the bulk of the education sector in India, especially higher education has been privatized on the sly without much of a debate. Once the flood gates were opened, smart entrepreneurs rushed in to capitalize on the tremendous potential of a demographically young India and the increased demand for so-called professional courses by the middle classes. The bulk of the investment by the private for-profit sector in education has been in setting up secondary and higher secondary schools and colleges for engineering, management, medicine and law. Very little investment went into pure sciences, education or humanities as they are perceived to be of non-professional character and are not in much demand. So much so, the share of private institutes in the field of pharmacy and engineering is more than 90 per cent. In 2001, when private unaided institutes made up 42.6 per cent of all higher education institutes, 32.8 per cent of Indian students studied there. By 2012, the share of private institutes went up to 63.2 per cent and their student share went up to 59 per cent. Still India educates approximately 11 per cent of its youth in higher education as compared to 20 per cent in China, 83 per cent in USA or 91 percent in South Korea. This requires a substantial increase in the number of institutions and consequently would require an adequate number of teachers for imparting education. A stunning 86 per cent of Indian students in the fields of science and

technology who obtain degrees in the United States do not return home immediately following their graduation. Teaching may not be an attractive profession to them even if they return home as per the salary is concerned. But in private institutes there is a scope for enhanced salary or perquisites which may attract them.

For any higher education system to be truly useful and productive, it is imperative that the system is in sync with market trends by constantly innovating in technology, teaching methods and curriculum. Every institution should have the autonomy over their curriculum, number of seats, provided it has the requisite infrastructure. Regulatory control over academic processes hampers the ability of an institution to respond to changing market demands and student needs. Many university graduates do not have even rudimentary knowledge, or conceptual understanding, or problem-solving skills in their own discipline that can be gainfully employed for producing the kind of goods and services that India needs. A culture of rote learning, lack of application of knowledge, and a poor examination system have undermined our higher education. Most graduates lack basic communication skills, and have no problem solving capacity and so educated unemployment is on the rise as these graduates are not equipped to become wealth creators. In any society, the human resource structure can be represented by a pyramid. At the base of the pyramid will be the unskilled work force. The semi-skilled (to suit a given society's requirements), comprising vocational trades such as electricians, plumbers, public health workers, etc. occupy the middle layer. The apex of the pyramid, usually consists of well-trained and qualified professionals such as engineers, doctors, lawyers, teachers, managers etc. Unfortunately in India there is a paradox; a huge number of mid and top level professionals such as doctors, engineers and lawyers but not enough number of professionally trained semi-skilled people such as electricians, plumbers and mechanics. There are more electrical engineers than electricians, more civil engineers than masons, more super specialist doctors than general physicians. There are more mechanical engineers than mechanics. There is a complete mismatch between the society's requirements and the kind of graduates that our higher education system is producing. There is an absolute disconnect between what is taught in the class and what is tested.

The overall scenario of higher education in India does not match with the global quality standards. While it is impressive that we succeeded in creating world-class institutions such as the IITs and IIMs, there is a lot of collateral damage attached to this success. The disproportionate allocation of meager resources to these islands of excellence resulted in the neglect of other public institutions which turned them into oceans of mediocrity. However, India has failed to produce world class universities like Harvard and Cambridge. According to the London Times Higher Education (2009) World University rankings, no Indian university features among the first 100. But universities in East Asia have been included in the first hundred. Hong Kong has three, ranked at 24, 35 and 46; Singapore two ranked at 30 and 73; South Korea two ranked at 47 and 69 and Taiwan one in the 95th position. Notably, China's Tsinghua University and Peking University are ranked at 49 and 52 respectively. There is no Indian university in the rankings from 100 to 200. In such a scenario, a favourable regulatory environment that allows multiple education models to flourish should be encouraged; a two-tiered evaluation system: internal evaluation — a council of students, faculty and employees analyses the performance of an institution; external evaluation —expert evaluators who analyse the curriculum and faculty performance of each institution (8).

The University Grant Commission of India is not only the grant giving agency in the country, but also responsible for coordinating, determining and maintaining the standards in institutions of higher education. UGC, All India Council for Technical Education (AICTE), Distance Education Council (DEC), Indian Council for Agriculture Research (ICAR), Bar Council of India (BCI), National Council for Teacher Education (NCTE) Rehabilitation Council of India (RCI), Medical Council of India (MCI), Pharmacy Council of India (PCI), Indian Nursing Council (INC), Dentist Council of India (DCI), Central Council of Homeopathy (CCH), the Central Council of Indian Medicine (CCIM) and such other regulatory bodies accommodate these development from time to time and yet to maintain quality students in higher education. There are many basic problems facing higher education in India today. These include inadequate infrastructure and facilities, large vacancies in faculty positions and poor faculty thereof, low student enrolment rate, outmoded teaching methods, declining research standards, unmotivated students, overcrowded classrooms and widespread geographic, income, gender, and ethnic imbalances. Students from poor background are put to further disadvantage since they are not academically prepared to crack highly competitive entrance examinations that have bias towards urban elite and rich students having access to private tuitions and coaching. In India privatisation in higher education is a convoluted story, it seems to be a case of one step forward and two steps back. While the government has introduced various bills in the Parliament, each of these seems to be stuck at various levels, some arguing that Indian higher education has moved from 'half-baked socialism to half-baked capitalism' (9).

Conclusions: Massive privatization along with opening up of foreign direct investment in higher education results mushroom growth of fake universities in different part of India, mere business

entities dispensing very poor quality education. Demand based education is treated as a commodity driven and controlled by the global market economy. Higher education system must therefore be refashioned, based on a few core principles.

• Freedom to invest and establish institutions of higher learning

• No entry barriers except where professional regulatory mechanisms are necessary to safeguard the public interest.

• Full autonomy and freedom in designing the course curriculum, examination and evaluation system, recruitment and personnel policies, and admission policies but compromise with quality of education and proper evaluation – subject to professional regulation, fairness, and equitable opportunity to all.

• Elimination of UGC recognition or state university affiliation as a criterion for employment in public systems. The employer will determine criteria for selection in terms of skill-requirements and proficiency, not a formal degree in a state university, and apply them uniformly.

• A system of voluntary, independent grading of courses offered by every university/institution, and full transparency, disclosure and dissemination of information to facilitate informed choices.

• Full freedom in designing fee structure, and applying differentiated fees depending on merit, economic status and demand for the courses, but to adopt some reservation policy if availed different facilities from the government.

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