

# Impact of Privatisation of Education in Indian Society

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## Abstract

This paper aims to analyse the impact of privatisation of education in the Indian society. The government of India introduced new economic policies namely globalisation, privatisation and liberalisation to increase employment, output and income opportunities and achieve economic development at international level. Privatisation has brought about rapid change in the educational scenario of India. It is seen that privatisation encourages the individuals and religious organisations to establish colleges and deemed universities to meet the growing demand for higher education. Consequently, higher educational institutions are found throughout the country. It not only increases the number of higher educational institutions but also increases the number of seats for highly demand courses such as engineering and medicine. Moreover, it decreases the distance between the educational institutions. It causes competition among them to fill the seats allotted by the affiliated universities and maximize socio-economic benefits. However, it creates the gap between the demand and supply of higher education. It not only increases the cost but also decreases the quality of education. Thus, privatisation has positive and negative impact on education and society. Hence, the present study is an attempt to analyse the impact of privatisation on the growth and demand and supply of higher education and on society at micro level.

**Keywords:** Economic goods, employment opportunities, globalisation, higher education, liberalisation, materialistic society, privatisation

## Introduction

Education is the most important and powerful tool invented by mankind to shape and mould himself for personal as well as social life. In short, it prepares the man for life. Moreover, it is the important source of employment, income and standard of living. So, everyone gives important to higher education. As a result, it has become one of the basic necessities of human life in the materialistic and knowledge society. Hence, the demand for higher education has increased especially after the independence of India. But the central and the state governments are unable to meet the increasing the demand for higher education due to financial constraints, non-availability of appropriate places and cost of higher education. Therefore, it encourages the individuals and organisation to establish colleges and deemed universities. As a result, the number of self-financed arts and science, engineering and medical colleges has increased on the one hand and increased the gap between the demand and supply of higher education. This is also because the afflicted colleges have applied for additional seats to meet the demand for certain courses. Thus, the increase in the number of colleges and demand for additional seats create a gap between the demand and supply of higher education in many higher educational institutions in India. Further, privatisation has positive and negative impact on higher education and society.

## Theoretical Background

A host of studies have been carried out in higher education at national and international levels. Most of them related to the socio-economic impact on higher educational achievements and socio-economic impact on higher educational choices (Vermon 1958, Mishra 1960, Campell 1960, Chopra 1964, Nandita Singh 2008, EI Ginzberg 1975, Diane 2001, Richard 2002, Rajinish 2011, Himanshu 2013 and S.Samuel Ravi,2014). A few studies deal with education and human resources development (Stremlin, John Vaizy and Micheal) and education and economic development. But no study has been carried out on impact of privatisation of education with special reference to the demand and supply of education. So, this study is important to examine the positive and negative impact of privatisation in education in a district level.

## Objectives of the Study

1. To study the growth of privatisation higher educational institutions
2. To analyse the demand and supply of higher education
3. To find out the positive and negative impact of higher education

## Hypotheses

1. The share of private institution and students' enrolment increases to the total number of institutions and students' enrolment in India.
2. Demand for higher Education is less than its supply.
3. Privatisation increases the cost and decreases the quality of education.

## Methodology

This study used both primary and secondary data for analysis. Primary data were used to comprehend the growth of private educational institutions and students' enrolment in India. Secondary data were used to analyse the gap between the demand and supply of higher education and find out the positive and negative impact of privatisation of education. The present study was conducted in Kanniyakumari District of Tamil Nadu. This is the only district having higher percentage of literacy (94.86%) and low literacy gap (3.86%) between males and females. There were two hundred samples randomly selected to collect information related to the present study. Further, the investigator personally visited the arts and science, engineering and medical colleges to collect data pertaining to the demand and supply of higher education in the district.

## Growth of Private Institution

There has been a fast growth of private educational institutions in India. It is shown in Table No:1

Table: 1  
PRIVATE INSTITUTIONS

SL No	Year	Share of Self- financed institutions to Total institutions	Share of students' enrolment to total enrolment
1	2001	42.6	32.9
2	2007	61.8	58.9
3.	2012	63.9	67.1
4.	2015	65.2	68.3

**Source:** *FICCI Higher Education summit- 2015*

Table:1 shows that the share of unaided private educational institutions to the total number of educational institutions increased from 42.6 per cent in 2001 to 65.2 per cent in 2015. It is also seen that the share of students' enrolment to the total enrolment increased 32.9 to 68.3 during the same periods. Thus, about one of third of the institutions is owned and financed by the private individuals and more than one third of the students are studying there. It proves that there is a fast growth in the number of private educational institutions and students' enrolment in India.

## Demand and Supply of Higher Education

There is a gap between the demand and supply of higher education in nursing, arts and science and engineering colleges due to increasing the number of self financial college and universities in the emerging Indian society. Hence an attempt is made at district level to find out the gap between demand and supply of education. The demand for education refers to the number of candidate enrolled in a college in a particular academic year. On the other hand, supply of education refers to the number of seats allotted by the affiliated university in the particular academic year. The aggregate demand and supply of higher education in arts and science, engineering and medical colleges are given in Table 2.

Table: 2  
Demand and Supply of Education 2014-2015

SL. No	Colleges	Aggregate Demand	Aggregate Supply	Gap (in %)
1	Arts and Science	10469	11954	12.42
2.	Engineering	10990	14655	25.01
3	Medical	1259	1280	1.64

**Source:** *Field Survey*

Table: 2 displays the aggregate demand and supply of education in arts and science, engineering and medical colleges in 2014-2015. It is seen that 12.42 per cent seats are vacant in arts and science colleges and it is 25.01 per cent in engineering colleges and 1.64 per cent in medical colleges. Thus, study observes that the demand for higher education is less than its supply in the study area. The gap between the demand and supply of education is one of the impacts of privatisation of higher education in the Indian society. Hence, the hypothesis of the study is accepted. The demand for higher education is less than its supply due to increase in the number self- financial colleges, cost of higher education and lack of employment opportunities.

## Positive impact of Privatisation of Education

The role of privatisation is essential to provide higher education to the over populated country like India. In fact, provision of higher education is one of the responsibilities of the government to prepare its people efficient in vocation and self sufficient in economic life. Moreover, produce more and more human resources to meet the increasing demand for skilled and qualified one in agricultural industrial and service sectors. It is not possible in the absence of higher education and training in different fields. At the same time, such education requires more

and more investment which is beyond the fiscal power of the government. At this juncture, privatisation of higher education helps to meet the demand for such education in the Indian society. Economically, higher education is one of the positive impacts of privatisation in the modern society. Hence, an attempt is made to discern the positive impact of privatisation of education in the Indian society. The positive impact of privatisation of higher education is shown in Table: 3

Table: 3 Positive Impact of Privatisation on Education

SL. No	Impact	No of Respondent	Percent
1	Reduce Distance of Educational Institutions	71	35.5
2.	Join any course irrespective of merit	64	32.0
3.	Employment	37	18.5
4.	Regional Development	15	7.5
5.	Increase the Demand for higher Education	13	6.5
	Total	200	100.00

Source: Field Survey

Table: 3 exhibits the positive views about the privatisation of education in the Indian society. It is seen that out of the total respondents (200), 35.5 per cent respondents state that privatisation increases the number of Educational institutions in rural and urban areas. So, the distance is decreased between educational institutions and residential place of students. Moreover, it decreases the financial burden of the state and the central governments on higher education. Among the total respondents, 32 per cent accept that privation not only increase the number of education institutions but also helps the students to join any courses irrespective of their merits. So, administration is made according to their fiscal capacity not on intellectual ability. This is the present status in most of the private educational institutions in the emerging Indian society.

Generation of employment and income opportunities to educated youth is another positive impact of privatisation of education in the labour market. Out of the total respondents (200), 18.5 per cent accept that privatisation of education causes the generation of employment opportunities to the graduates post- graduates, researcher and trainees in different fields. Further, privatisation of education leads to regional development. About 7.5 per cent respondents have this opinion in the study area. In fact, establishment of self- financed college, in rural areas expanded the electricity transport and market facilities. Moreover, availability of higher educational facilities increases the demand for higher education especially in rural areas. The study reveals that among the total respondents, 6.5 per cent are of this opinion in the study area. The establishment of private educational institutions, in rural areas, motivates the parents to send their children for higher studies. Thus, privatisation encourages the rural parents to admit their children in any one of the higher educational institutions.

### Negative Impact of Privatisation

Privatisation has also negative impact on higher education and society. The study found some negative impact shown in Table: 4

Table: 4  
 Negative Impact of Privatisation of Education

SL. No	Negative Impact	No of Respondents	Per cent
1.	High Cost of Education	67	33.5
2.	Poor Faculty	43	21.5
3.	Inadequate infrastructure	29	14.5
4.	Education a Business	25	12.5
5.	Lack of Quality Education but restless work	16	8.0
6.	Exploitation	13	6.5
7	Partiality	7	3.5
	Total	200	100.00

Source: Field Survey

Table: 4 displays the negative views of the respondents about the privatisation of higher education in the study area. Out of the total respondents, 33.5 per cent expressed that privatisation increases the cost of higher education. It charges different fees to increase its income. Moreover, government officials and educational authorities bribe to grant permission to the private educational institutions. It increases the cost of education and it is beyond the fixed capacity of poor and middle income groups. Mushroom growth of private educational institution demands qualified and experienced faculties to provide quality education and earn good name in the public. But it appoints non- qualified and experienced persons based on caste, religion and region. So the quality of the most of the faculties is poor in language, subjects and character. It is seen that 21.5 per cent

of respondents have the same opinion in the study area.

The study found that infrastructure facilities in the self- financed college inadequate and poor. Most of the colleges do not have separate buildings, especially for staff and library. Moreover, basic facilities such as drinking water, hygiene toilet and equipped laboratories are not available in many colleges which affect the learning environment. It is discerned that 14.5 per cent respondents are of this idea about privatisation of education. Privatisation has turned education in to economic goods and it is bought and sold for money. So, higher education has become one of the profit making commercial goods in the market- economy. So, anybody can establish educational institutions and run this business through agents and advertisements. About 12.5 per cent respondents express that privatisation has turned education into a profitable commercial goods meant for money making not for man making in the globalised society.

Privatisation has made education poor quality but a restless service. Higher educational institutions function like schools and conduct classes and tests during government holidays. Provision of assignments and projects does not improve the quality of education but for mark sake. Students are made busy with memorisation, assignments and test writing where freedom is not possible in the educational competitive world. It is seen that 8 per cent respondents to reveal the same opinion in the study area. Exploitation of workers is found in many educational institutions. For example, low and delayed payment affect the working capacity of the teaching and non- teaching staff, lack of co-operation and co-operation between the management and subordinates affect the academic environment of the college. About 6.5 per cent respondents have this opinion in the study area. Partiality is another negative impact of privatisation of education. In fact, teacher and management show partiality towards the students in the name caste, relatives, religion and region. It does not yield healthy environment in the educational institutions. The study found that 3.5 per cent respondents expressed this idea about privatisation of education in the Indian society.

### Findings

This study arrives at the following findings-

1. Privatisation increases gap between demand and supply of higher education. It is observed that the demand for higher education is less than its supply in many educational institutions.
2. It increases the number of higher educational institutions in rural and urban areas. So, the distance between educational institutions and students residential place is reduced in the study area.
3. It enables the parents to admit their children in any course irrespective of their mark and ability.
4. It generates employment and income opportunities.
5. It causes regional development and extends higher educational facility to rural areas.
6. It increases the demand for higher education in rural area.
7. It increases the cost of higher education. It charges number of fees frequently. It affects the poor and middle income groups.
8. The quality of faculty is poor. Many of them are not fully qualified and experienced and they weak in language fluency and subject.
9. Many colleges have inadequate infrastructure facility such as building, library, furniture, ventilations and drinking water.
10. Education is not a social goods, but economic goods used for money making.
11. The quality of education is poor but restless classes are conducted during government holidays. Frequent tests and assignments affect the freedom in the learning environment. It prepares students for examination not for life with desirable character.
12. Exploitation and partiality are found in the privatisation of higher education in India.

### Suggestions

The following suggestions may be implemented to make privatisation of education effective and useful to the people and society.

1. Concentration of educational institutions of same type in a particular place may be avoided to reduce the gap between the demand and supply of higher education
2. Capitation fee should not be collected and tours, and camps should be organised for the development of national integration, fellow- feeling, co-operation and other human values not exploitation for additional earnings.
3. Government and educational authority should grant permission to those institutions which fulfil the requirements of UGC and affiliated universities.
4. Qualified and experienced staff should be appointed irrespective of casts and religion.
5. Payment should be made either in last working day of every month or in the first week of the next month. Salary should be reasonable to meet the basic necessities of the faculties.
6. National days should be observed for that purpose only. Conducting test, and classes should be avoided

and freedom should be given to students because man is more important than marks without quality.

7. Educational institutions develop creativity and human values in the students. They should provide conducive atmosphere for personality development of the students in all aspects which prepare them for personal and social life.

### Conclusion

The role of privatisation is important to expend education in qualitatively and quantitatively in the Indian society. Therefore, state and the central governments encourage the privatization of education to achieve economic development through maximum utilization of human resources. But the lack of quality education affects the employability of educated in national or international levels. In fact, privatisation increases the number of degree holders on the one hand and unemployment on the other hand. This is because many of them are poor in communication skill and practical knowledge in the subject. So, more and more opportunities should be provide to the students which will prepare them for employment in organisations or engage in self employment. Hence, the suggestions given in the study may be implemented to improve the quality of education provided through privatisation and remove its negative impact on education and society. The individuals and religious organisations which please the government and educational authorities to establish the educational industries for profit should keep in mind that man is more important than education and money. Therefore, they should run the educational institutions for the welfare of the man and society at minimum cost.

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