



PRIVATIZATION OF HIGHER EDUCATION IN INDIA – A STUDY

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Abstract:

India has world's third largest higher educational system, next to China and United States. The mission of higher education is to achieve access, equality, justice, quality, employability, inclusiveness and create a knowledge society/economy. The deteriorating administration, unproductive practice, corruption and fund unavailability leads to break down of indigenous educational system. To tackle with the problem of unavailability of funds, instead of setting up new institutions, which require huge investments, priority of the government is to expand the capacity of existing institutions and to open the new educational institutions in higher education in private sector only. There are three forms of privatization of higher education institutes- Government self financing institutes, Government aided private self financing institutes and completely private higher education institutes. The need to privatize higher education is explained in this paper. The impact of privatization in higher education is positive as well as negative. The suggestions to take maximum benefits from privatization are also discussed.

Key Words: Higher Education, Privatization & Employability

1. Introduction:

After independence, the education policy of India concentrated on the development of Higher Education in India. UGC was formed to be the guide for the Universities in various states of India, so that the basic structure of the University education could have uniformity not only at the micro level but also at the macro level of functioning. Unfortunately education was placed on the concurrent list, which over the years has played havoc. It has been observed that both the central government and the state government at times have used this provision to their advantage in terms of disowning much expenditure.

Nevertheless Higher Education did reach the masses including the economically weaker sections and women. In recent years India could encash on the I.T. boom is one of the indicator of the policy's success. After 1991 there were changes in policies of the Government of India. The government accepted and adopted the concept of LPG, bringing financing of Higher Education under the hammer. The implementation of the 6th pay commission for the college / university teachers brought to the forefront many problems.

In many parts of the country the state government was reluctant to implement the VIP aycommission, which led to agitation by the teachers in those states. Where ever the implementation was accepted after resistance and bargaining, the regular monthly salary disbursement was affected. In many states and sometimes in certain parts of the state payment of salary with the interval of two months became a norm.

The intentions of the government were clear, to cut down its expenditure on Higher Education. UGC also set rolling to implement the same agenda. The setting of NAAC and linking future aid to universities and colleges on the basis of assessment and accreditation was a clear signal.

In 2000 the Government of India formed the Task Force on Higher Education, headed by the industrialist Anil Ambani. The message that they have forwarded is totally opposite to the UNESCO, first conference on Higher Education in 1998, where 182 countries included India participated. The UNESCO's resolution states, “The development of Higher Education should be one of the highest National Priorities”. Whereas the Ambani report states that, “university education is a ‘non-merit’ good, not necessary for everybody.” On the basis of this report the government has proposed to introduce and pass a bill called ‘Private University Bill – 2003’, permitting the setting up of Self Financing Universities (SFU's). The SFU's can run courses in emerging areas of Science and Technology by making available additional funds for them.

The Higher Education Scenario in India:

- ✓ Only 6% of the youth between the age group 17-25 years get university education, which is far less compared to at least 15% in other third world countries and 40-60% in developed countries.
- ✓ Only 2.8% of the GDP is spent on Higher Education.
- ✓ The expenditure on Higher Education per student in 1991-92 was Rs.551/- it was down to Rs.429 in 1995-96.

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Growth of Higher Education Institutions

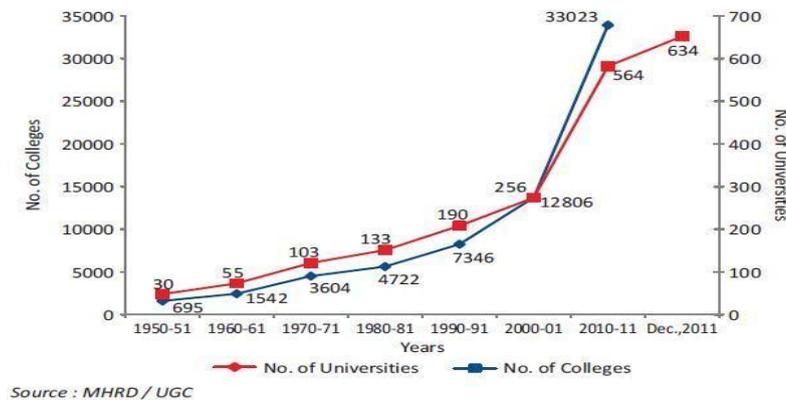


Chart 1

Faculty-wise Students Enrolment in Higher Education 2010-11*

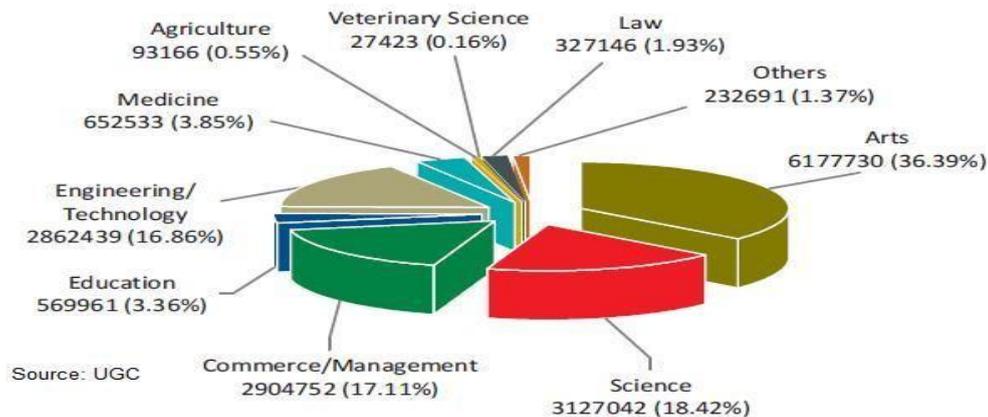


Chart 2

The fear and uncertainty of the future results of privatization of Higher Education, has the teacher community in dilemmas. This is the reason for undertaking a pilot study on the subject of privatization of higher education in India.

2. Objective:

To study the perception of college teachers on the issue of privatization of Higher Education in India

3. Importance:

- ✓ The study aims to highlight the issue of privatization of higher education in India in a proper perspective on a balanced view of SWOT analysis.
- ✓ It should become a starting point for further investigations and discussions on the issue from various sections of the society like Parents, Students, etc.

4. Methodology:

- ✓ The methodology evolved was to collect primary data through questionnaire survey of college teachers from different states.
- ✓ The various parameters were divided on the basis of SWOT to get a balanced view.
- ✓ The results were tested on the weighted average scale. For the weighted average first preference is 5 points, second preference is 4, third preference is 3, fourth preference is 2 and fifth preference is 1 point.

5. Limitations:

- ✓ Only one stake holder’s perception on privatization of higher education is taken / covered that too only one faculty i.e. Commerce.
- ✓ The number of parameters divided on the basis of SWOT was limited to five only.
- ✓ Total 600 teachers of 12 states were administered questionnaire through personal contact or through email. Only 364 teachers of 12 states responded after continuous follow-up. These 364 respondents were taken as representative sample. There is imbalance in terms of representation, as on the higher side Maharashtra is represented by 92 respondents where as the lower side Karnataka and Kerala are represented by only 14 respondents.

6. Analysis of the Study:

6.1 Breakup of Respondents:

Table 1: Break-up of Teacher Respondent State wise Break-up

S.No	States	Qualification			Total	Management	
		M.Com	M.Com. + M.Phil.	M.Com + M.Phil + Ph.D		Govt. Colleges	Pvt. Aided Colleges
1	Andhra Pradesh	13	7	6	26	12	14
2	Karnataka	8	1	5	14	5	9
3	Orissa	10	5	4	19	5	14
4	Maharashtra	54	16	22	92	19	73
5	Gujarat	15	7	5	27	6	21
6	Madhya Pradesh	13	7	3	23	7	16
7	Punjab	10	5	9	24	1	23
8	West Bengal	11	6	4	21	9	12
9	Kerala	7	3	4	14	6	8
10	Uttar Pradesh	18	13	7	38	9	29
11	Delhi	26	12	6	44	28	16
12	Bihar	10	7	5	22	8	14
	Total	195	89	80	364	115	249

The total respondents all degree college teachers from twelve states are three hundred and sixty four. The respondents were selected on the basis of personal contacts of various colleagues and friends. Of the total 364 teachers, 115 teachers are from Government College and 249 from Private Aided College. The representation of Maharashtra with 92 teachers is the highest accounting for 25%, followed by Delhi (44\12%), U.P. (38\10%), Gujarat (27\7.5%) and A.P (26\7.5%). The lowest representation is from Karnataka and Kerala (14\3.85% each). On the basis of qualification majority i.e.195 (54%) have only P.G. qualification i.e.M.Com, while 89 (24%) have acquired additional qualification of M. Phil. and 80 (22%) have scaled to Ph.D.’s, which speaks of the quality of respondents.

6.2 Strengths:

Table 2

Sr. No.	Parameter	Preference Order\Weightage						Total Response \Weightage	W.A. in %	Response in %	Rank
		0\0	1\5	2\4	3\3	4\2	5\1				
1	Quality Education	0	169\845	53\212	97\291	27\54	18\18	364\1420	26.74	100	1
2	Better Infrastructural Facilities	26\0	44\220	89\356	151\431	27\54	27\27	364\1088	20.48	92.85	3
3	New Methods of Teaching, Learning & Evaluation	0	71\355	123\492	64\192	53\106	53\53	364\1198	22.55	100	2
4	Professional Approach	18\0	44\220	71\284	27\81	133\266	71\71	364\922	17.35	95.05	4
5	Benefits of Competitive Environment	44\0	35\175	27\108	27\81	89\178	142\142	364\684	12.88	87.91	5

Note: W.A = Weighted Average

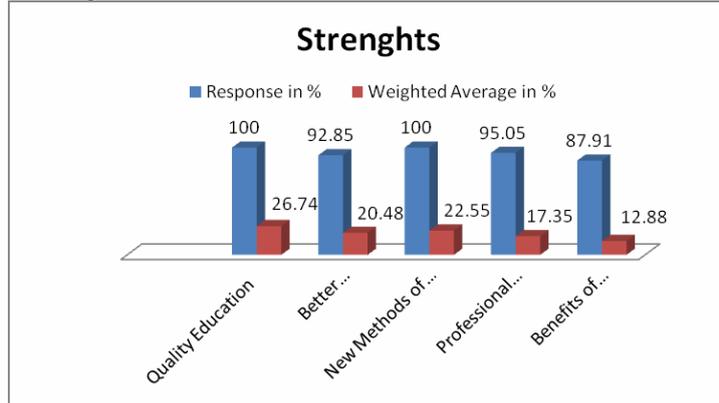


Chart 3

Reflecting on the above table and the bar diagram on the strength of privatization of Higher Education the five parameters, viz. quality education, better infrastructural facilities, new methods of teaching, learning and evaluation, professional approach and benefits of competitive environment, the following inference can be drawn.

Of the total 364 respondents, all accepted that Quality Education along with New Methods of Teaching Learning and Evaluation are the pillar of strenghts of privatization of Higher Education. Accordingly Quality Education was endorsed with 26.74 percent on Weighted Average (WA) and ranks 1st among the five parameters. New Methods of Teaching Learning and Evaluation followed with 2ndrank with a WA of 22.55 percent. Together they both account for almost 50 (49.29) percent of the strength factors accorded to privatization of higher education. For the third, fourth and fifth ranks among the parameters we observe that 7.15, 4.95 and 12.09 percent of the respondents did not feel their importance.

6.3 Weaknesses:

Table 3

S. No	Parameter	Preference Order\Weightage						Total Response \Weightage	W.A. in %	Response in %	Rank
		0\0	1\5	2\4	3\3	4\2	5\1				
1	Costly & Detrimental to Intelligent Poor	0	177\885	115\450	27\81	18\36	27\27	364\1479	28.4	100	1
2	Commercialization of Education	27\0	89\445	133\532	71\213	44\88	0\0	364\1278	20.8	92.58	3
3	No takers for core and traditional subjects	35\0	27\135	27\108	133\399	71\142	71\71	364\855	22.46	90.38	2
4	Hire and Fire Policy	27\0	9\45	80\320	44\132	124\248	80\80	364\825	17.3	92.58	4
5	Unethical practices and lack of social commitment.	54\0	44\220	0\0	44\132	71\142	151\151	364\645	12.81	85.16	5

Note: W.A. = Weighted Average

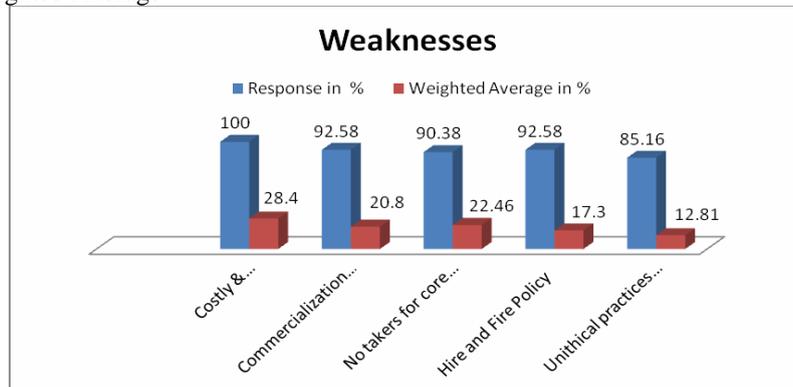


Chart 4

Examining the weakness of privatization of Higher Education in India all the 364 respondents from 12 states were unanimous that Higher Education will become costly for the economical weaker section of the society and therefore was ranked first among all parameters. The second ranking was for the fear that the core and traditional subjects will lose their importance in the years to come, even though 35 (9.62 %) respondent rejected that fear outright. Commercialization of education or mushrooming is another weak point in this process of privatization which is accorded 3rd rank. The fear of implementation of hire and fire policy is placed way below at 4th place, which means that the teachers are mentally prepared for the consequences that will follow privatization. Unethical practices and lack of social commitment does matter but it seems that it also exists and therefore almost 15 percent of the respondents (54 of 364) did not accord it any importance and on the WA scale it is scaled down to the 5th place.

6.4 Opportunities:

Table 4

S. No	Parameter	Preference Order\Weightage						Total Response \Weightage	W.A. in %	Response in %	Rank
		0\0	1\5	2\4	3\3	4\2	5\1				
1	Costly & Detrimental to Intelligent Poor	0	177\885	115\450	27\81	18\36	27\27	364\1479	28.4	100	1
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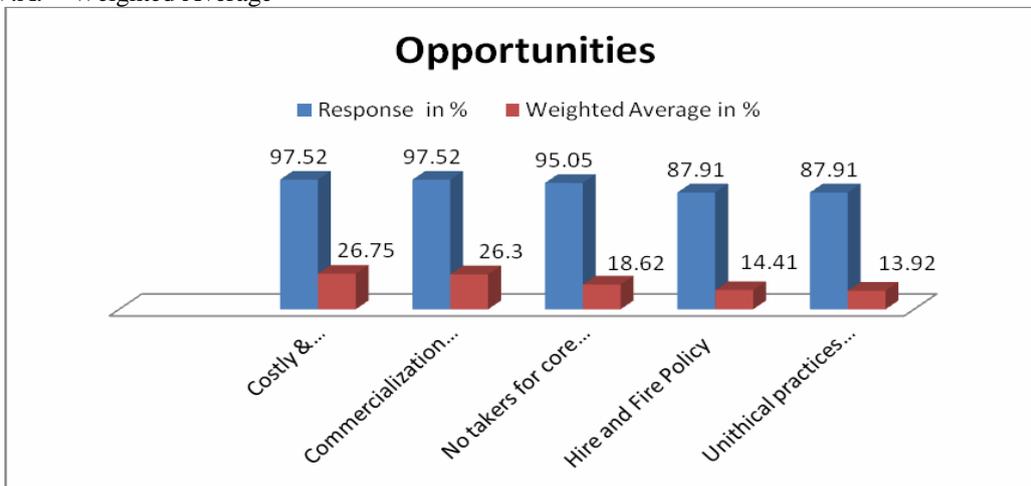


Chart 5

The above table and bar diagram on opportunities, very clearly show that exposure to international educational standards and global employment opportunities are forefront expectations together accounting for 53 percent weight age, therefore ranked first and second respectively. Even though in terms of response from the respondents it does not receive 100 percent response as we observe that 9 respondents in each parameter i.e. 2.47 percent have neglected it. The respondents also feel that privatization will usher in change in terms of greater reach in rural and urban areas and so it is placed on the 3rd rank on the basis of WA. The teachers do not feel that privatization will really help in higher earnings, may be because it will be more student centric and with better teacher-student ratio it will eliminate the need of private coaching and thereby it is ranked at 4th and so is the feeling regarding scope for continuous progression, which attracts only 12.38% on the WA and placed last.

6.5 Threats:

Table 5

Sr. No	Parameter	Preference Order\Weightage						Total Response \Weightage	W.A. in %	Response in %	Rank
		0\0	1\5	2\4	3\3	4\2	5\1				
1	New working norms	27\0	89\445	124\496	54\162	35\70	35\35	364\1206	23.64	92.58	2
2	Foreign invasion through education	19\0	115\575	80\320	44\176	62\124	44\44	364\1239	24.28	94.78	1
3	Outflow of Foreign Exchange	36\0	35\175	44\176	124\372	98\196	27\27	364\946	18.54	90.11	3
4	Privatization of primary education in future	62\0	27\135	80\320	71\213	44\88	80\80	364\836	16.39	82.96	5
5	Change in value system	34\0	71\355	18\90	54\162	80\160	107\107	364\874	17.14	90.65	4

Note: W.A. = Weighted Average

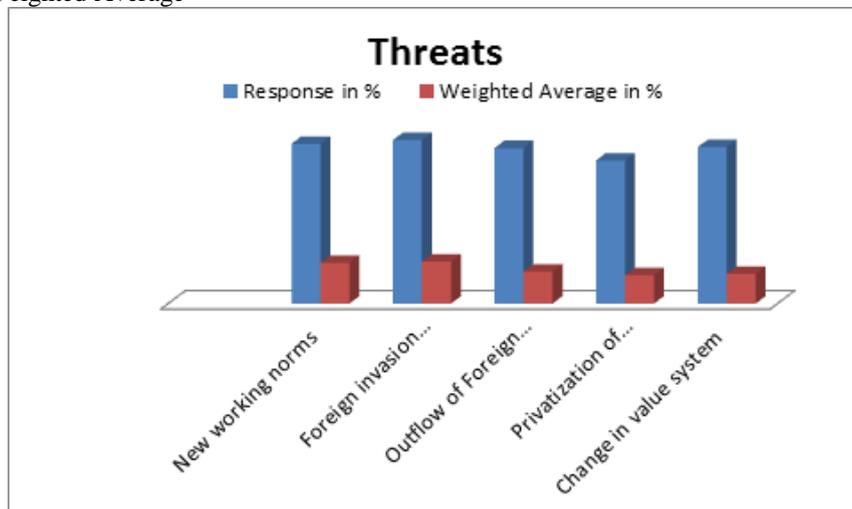


Chart 6

Perceiving the threats, on the basis of the WA, foreign invasion through education (94.78 percent) is seen as a major threat for Indian age old education system followed by the new working norms (which will be more demanding) that will follow the process of privatization. Outflow of foreign exchange is considered as one of the threat but it being reciprocal part of inflow of funds is ranked 3rd with 18.54 percent weightage. The fear of privatization of primary education in future seems to be a distant dream and therefore 17 percent of the respondents have not considered it as a threat. The intensity being low it is thereby placed at 5th position.

6.6 Status of Privatization:

Table 6: State wise Break-up

S.No	States	Dept. have Closed Down\ Shrinking	No new appointments in place of retired teachers	Introduction of Self Financing Courses	Autonomy granted to colleges	Tie-up with inter- national Uni./ Colleges	Decreasing no. of students
1	Andhra Pradesh	*	*	*	*	*	*
2	Karnataka	*	*	*	*	*	*
3	Orissa	*	*	*	*	*	*
4	Maharashtra	*	*	*	*	*	*
5	Gujarat	*	*	*	*	*	*
6	Madhya Pradesh	*	*	*	*	*	*
7	Punjab	*	*	*	*	*	*
8	West Bengal	*	*	*	*	*	*

9	Kerala	*	*				*
10	Uttar Pradesh	*	*				*
11	Delhi	*	*	*	*	*	*
12	Bihar	*	*				*

The process of privatization is bound to usher-in changes like closing down/shrinking of departments, no new appointments in place of retired teachers, introduction of self-financing course, autonomy to colleges, tie-ups with international colleges/universities and decreasing number of students. On observation of the above table, we find that the phenomenon of closing down/shrinking of departments, no new appointments in place of retired teachers and decreasing number of students has progressively set in, in all the states indicating the beginning of privatization of higher education. Introduction of self-financing course, autonomy to colleges and tie-ups with international colleges/universities are usually the progressive stages of privatization. They have already set-in, in progressive states viz. Andhra Pradesh, Karnataka, Maharashtra, Gujarat, Punjab and Delhi. The other states will also eventually witness the changes in days to come.

7. Conclusions:

- ✓ The teachers believe that privatization of Higher Education will bring in Quality Education supported by better infrastructural facilities and professional approach to teaching.
- ✓ The teachers do fear that Higher Education will get out of the reach of the economical weaker section of the society. Also there will be mushrooming of Higher Education whereby only vocational courses will have demand and core and traditional subject will suffer a setback. The teachers are of the opinion that the Hire and Fire Policy will not be much of an issue in the long run.
- ✓ Privatization of Higher Education will definitely expose the students and teachers to international education standards thereby throwing better opportunities for employment on a global basis. It also will lead to greater reach to rural areas through the on-line education systems in the long run. The teachers are of the opinion that though higher salaries may be the norm in the short period but in the long run it will stabilize and rationalize.
- ✓ The respondents do feel that the process of privatization of Higher Education can lead to foreign envision of India and subsequently may be colonialized. The new working norms that will emerge are also perceived as a possible threat. There is a believe that though the government wants to privatize Higher Education the teachers still have faith in the constitution that primary education will be supported by the state.
- ✓ In most of the states the process of privatization has been initiated on various fronts. In some states, it is just at the initial stage. We can always work to overcome the weaknesses and threats and thereby reap a better harvest of privatization of Higher Education.

8. Suggestions:

- ✓ Looking at the fast changes at the global level in various spheres of life, privatization is now inevitable. We like it or not, we have to accept it and equip our self for change.
- ✓ By 2020, India and China together will share 75% of the world population between the ages of 15-35. It will be a challenge for India to equip its population to meet the demand of employment opportunities, globally which the present system and infrastructure is ill equipped to do so.
- ✓ The State has also to take into consideration that through privatization of Higher Education, the economical weaker section are bound to be deprived of higher education, specially the talented one, for talent is not exclusive prerogative to a particular class, viz. higher income group. Therefore the State will have to evolve a policy whereby funding of higher education to economical weaker section of the society is taken care off. If not over the years not only there will be dearth of talent in higher education, but the gap between the haves and have- nots will increase, creating a socio-economic upheaval in the country. The State cannot shrug off its responsibility to educating the economically weaker section of the society. In fact it should be the primary responsibility in the given scenario. For investing in development of human resource will pay in the long run, country like Sweden are an example.
- ✓ The Technology Information Forecasting and Assessment Council (TIFAC) of India have presented five important areas to transform India from a developing country to a developed country in the next 25 years. On top is education and health care, followed by agriculture information and communication, infrastructure and critical technologies.
- ✓ They have also listed the core areas that will sphere head our march towards becoming a knowledge society. The areas are Information Technology, Bio-Technology, Space Technology, Weather Forecasting, Disaster Management, Tele-Medicine and Tele- Education.

9. The Beginning:

We have to change our myopic vision, and therefore, let us not be like the oak that will resist and break in a cyclone but let us be like the reed that gently bends and allows the winds to blow and then stands erect elated and transformed, to meet the challenges of the future. Take them head-on and transform it into a gold mine.

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