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PRIVATIZATION OF HIGHER EDUCATION IN INDIA- ISSUES, CHALLENGES AND SUGESTIONS

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ABSTRACT

In size India has third largest higher educational system in the world, next to China and to United States. It grows rapidly after independence. In terms of the number of educational institutes, India has an upper rank in the world. It consists of three phases as funding, philanthropic to public and then to private financing. Changing patterns have altered regulations, equity, efficiency and quality of higher education. Indian society is a mixed society consisting of a large number of haves and a same number of have-nots. So in Indian social structure, educational system cannot be privatized as in the developed states of the world. It is necessary to allow the private players to enter in the field of higher education under such provisions that the basic concept of the welfare state should be protected and it remains in the reach of every citizen. The size of increased demand and its projected growth, clearly indicate the need of new institutions imparting quality education in the subject areas of contemporary relevance and job opportunities.

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INTRODUCTION

From the ancient period Indian system of higher education is well known to the world. World famous university Takshasila in the 7th BC exists in India where scholars from all over the world come to learn. Nalanda also famous for its foreign students such as Huan Tsuang of china. During Vedic period India was the first country of the world that develop a very strong system of higher education. During this period education was completely free and gurus themselves arrange boarding and lodging of the students and get guru dakshana from the student after the completion of his education. The chief aim of the ancient educational system was development of the knowledge. Emphasis was given on adherence to social and national values and preservation and development of national culture. Salvation was considered to the ultimate goal of human life and to achieve it spiritual development was endeavored through education. There are various systems of education remains effective in India from time to time according to the nature of the rule over the nation, such as Vedic system, Buddhist system and Muslim system of education. But the Present system of higher education was actually introduced by the British. In 1813 by the charter act, East India Company was compelled to accept the

responsibility of the education of the Indians. And act made a provision of annual grant of not less than one lakh for the promotion of education in India. In 1833 a fourth member of the council of the Governor General was added to the council and Lord Macaulay came to India as the law member on June 13, 1834. He was a learned scholar of English literature and a very fluent orator. In February 1835 he produce a document for the Government known as Macaulay's Minute, in which he supported Western Education through English medium in India and strongly rejected the Sanskrit, Arabic and Persian literature which was very much popular in India at that time. He vigorously advocated western system of education in English medium for the Indians. And proposed to stop the grants to the Oriental institutions and utilize the money for opening English schools to develop Western system of education in India.

In 1854 'Charles Wood' the president of the East India Company's Board of Control declared his education policy on July 19, 1854 which was termed as Wood's Dispatch. By which company was made responsible to organize education for Indians under its rule. This monumental declaration proved that education is the responsibility of the Government. Department of Public Instructions was created and system of grant in aid was developed first time to assist financially to the educational institutions irrespective of their religious denomination. Dispatch also recommended

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that universities will be established one in Calcutta, Bombay and in Madras on the pattern of London University. With this declaration foundation stone of university education (Higher education) was laid down. In 1899 Lord Curzon was appointed Governor General of India and had convened a conference at Shimla in 1901 for 15 days and declared his educational policy by appointing "Indian Education commission 1902" to suggest the government for future prospects and condition of universities in India. In 1904 Lord Curzon tamed his educational policy and it became the law as Indian University Act 1904.

In September 14, 1917 Indian government appointed a 7 member Calcutta University Commission under the chairmanship of Sir Michal Sedlar Vice Chancellor of the Leeds University to study the problems of Calcutta university and other Indian universities. Commission gave suggestions for a complete revamp of the university administrative structure and the secondary education to raise the standard of education. In the words of Mythew - "The report of the Calcutta University Commission has been a constant source of suggestion and information, its significance in the history of Indian education has been incalculable." On August 15, 1947 India became independent and become a republic, the process of reform and reconstruction began in every field including education. The government of India on the advice of C.A.B.E (Central Advisory Board of Education) appointed a university education commission under the chairmanship of Dr. Saravapalli Radhakrishnan on November 14, 1948. to give suggestions about the restructure of university education and to find measures to raise the standard of higher education.

Table 1. Higher Educational Institutions (Universities and Colleges) in India

Type of Institution	Number	E.g.
Central Universities (Public)	44	University of Delhi
State Universities (Public)	306	University of Mumbai
State Universities (Private)	154	Desh Bhagat 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	

Source: UGC, 2012

Commission prepared an extensive report and presented to the government on August 25, 1949. Establishment of University Grants Commission is the biggest outcome of this report to regularize the higher education. In November 1956 University Grants Commission was formally established as a statutory body of the Government of India through an act of parliament for co-ordination, determination and maintenance of higher standards of higher education in India.

In July 1964 Government of India appointed a commission to advise on the national pattern of education and on general principles and policies for the development of education at all levels under the chairmanship of Prof. D.S. Kothari realizing the need for a uniform system of education. After Independence Indian education sector has been traditionally developed on the core principle that the education of the citizens is the responsibility of the state. According to this principle Government remains continue to invest and create new capacities and enhancing the existing facilities in the

education sector. But as the tremendous growth of population, the existing institutions falls less to provide education to all the citizens. Then Government decides to reform its educational policy and follow the national policy on education 1986 and revised program 1992.

The NPE acknowledge the fact that higher education has to become dynamic as never before and recommends the series of steps including autonomy, specialization, vocationalization and emphasis is given on research and development. At present gross enrollment rate of higher education in India is roughly 6% which will be needed to be doubled in the next decade. Which involves thousands of crores of rupees of investment. Government expenditure on higher education is 0.6% (Ernst and Young-FICCI(2009) which is quit less than that of the other states such as China, United States and United Kingdom spent on per student basis. Despite the huge demand of higher education and increasing population of youngsters Government allowed private players to enter the field of education.

Most of the public expenditure on higher education is used upon salaries and maintenance of exiting institutions. Over the last two decades a rapidly growing Indian economy has lead to a huge demand for an educated and skilled labor force. To meet the tremendous manpower demand there is a need of dynamic system of education, not surprisingly private enterprises have cropped up to complement public educational institutions. In fact over the last decade it has been private sector that has really driven capacity creation in Indian higher education.

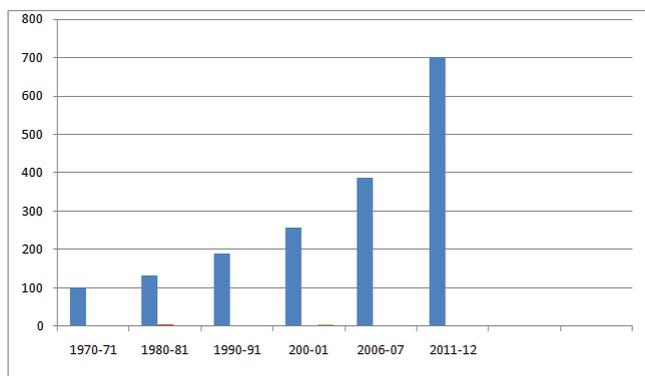
Table 2. Enrollment of Indian Students by Level of Education

Level	Number ('000)	% of Total
Graduate (Bachelor's)	17,456	86
Post-Graduate (Master's)	2,492	12
Research (Doctoral)	161	1
Diploma/Certificate	218	1
Total	20,327	100

Source: UGC, 2012

In 2001 when private unaided institutions had made 42.6% of all higher education where 32.8% of the students being educated there. By 2006 the share of private institutions went up to 63.2% and 51.5% of the students are enrolled there. In professional courses like Engineering, Business Administration and Medical where majority of such programmes have been established by the private sector. Engineering and Pharmacy related courses are now 90% run by the private universities. So we can say that privatization of higher education is now an irreversible trend in India. The

Ministry of Human and Resource Development emphasizing the increasing use of information, communication and technology (ICT), and has corresponding increase the expenditure by 53.2% to 340 crore for the year 2013-14 in the union budget and has proposed 4000 crore during the twelfth plan for national mission in education through ICT. Government has an ambitious plan to introduce reforms in the education space so as to encourage more private investment to enhance the quality of education. Laws such as Higher Education and Research Bill, Universities for Research and Innovation Bill, and National Accreditation Regulatory Authority for Higher Educational Institutions Bill, 2010, Foreign Educational Institutions Bill, if passed can bring much needed structural changes. Now at present India has one of the largest higher educational systems in the world, and has been witnessing healthy growth in its number of institutions and enrollment in the last few decades.



Source: FICCI Higher Education Summit 2012

Fig. 1. Shows that the number of universities has grown more than six times in the last four decades

Table 3. Enrollment of Indian Students by fields of study

Field	Number ('000)	% of Total
Arts	7,539	37%
Science	3,790	18%
Commerce & Management	3,571	17%
Engineering & Technology	3,262	16%
Education	733	4%
Medicine	716	4%
Law	373	2%
Others	218	1%
Agriculture	97	1%

Source: UGC. 2012

Until 1976 education was in the list of state subject under the constitution of India. Since 42nd amendment to the constitution in 1976 education has been placed to the concurrent list and henceforth both the union government and the states can frame the laws for the development, regulation and promotion of the education. In general privatization refers to "Transfer of function, activity of the organization from the public to private section". (Cajucom, 2003). Privatization is the one of the hottest issue currently being debated in the sector of education. It is fast becoming a widespread trend when considering educational reforms are easier to make pressure on the Government to meet increasing demand of the expansive higher education. In the developed countries the issue at hand is provision and accountability. Here privatization can be advantageous to the parents who are to

given more freedom and choices when deciding on schools and colleges for their children.

Positive aspects of Privatization of higher education

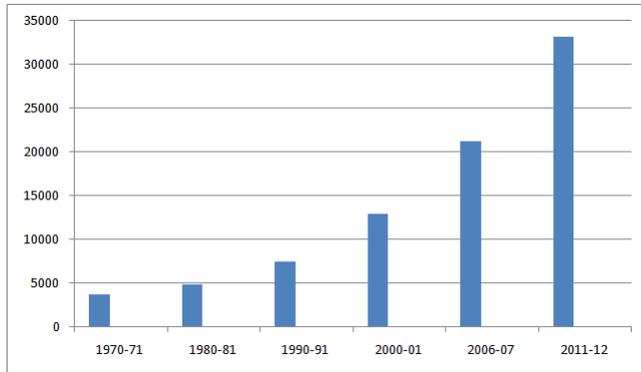
Increasing demand for better quality higher education in India can be only met as by private institutions complementing the universities established by the state. As the number of students going to higher education is going to increase rapidly. The only feasible way to provide education to such a number of students is the privatization of education. As the government with the constitutional obligation to provide free and compulsory education to all had increased investment in the primary education as the result of which investment in the higher education had decreased to meet the demand of growing young population. So it is the only way that privatizes the higher educational system. (Talukdar, 2011) While India can boast of having the third largest higher education system in the world, but the reality is that India is facing a severe shortage of skilled human resources. The reason for such a contrasting situation is the extremely low quality of primary, secondary, and college-level education in India.

A possible way-out for this situation is privatization of the education system, which is predominantly public at present. Privatization of education has the potential to improve the quality of education as well as to reduce the cost. However, to ensure access to education for all, the government must have to design an effective transfer-payment system, so that the educational services may reach each and every individual. In case of shortage of educational infrastructure, privatization in education is inevitable. In 2011 only 5000 students got admission into IITs though 3 lakh students gave the entrance. What do you expect the rest to do? Either they have to give up the stream of their choice or go to the private colleges or go abroad if they can afford it. Yes, private colleges need to lower the fees but that doesn't make privatization bad. So private institutions will create additional choices for the aspirants to choose the courses.

In the private educational institutions there is no political intervention which would be beneficial for the institution. In terms of being independent the Hon'ble Supreme Court in view of the private institutions held that "In professional institutions as they are unaided there will be full autonomy in their administration but the principle of merit cannot be sacrificed, as excellence in education is in the national interest" Therefore private universities can implement new innovative techniques independently which are not possible without the permission of the state in case of the public institutes. Private institutions are affiliated to the universities are independent as far as administration is concerned. In case of institutions established by state there may be unethical practices. But private institutions which are affiliated to the universities would run the risk of being stripped of their affiliation if they are caught in such unethical practices by the relevant authorities.

The role played by private institutions in transforming sectors such as Information Technology, and Information Technology enabled services such as telecom and banking etc. is evident. Today IT's growth story has put India on the global

economic map. These sectors are shining examples of the progress that can be made when private enterprises are allowed to function in a free and encouraging manner. The size of demand and its projected growth, clearly indicate the need of new institutions imparting quality education in the subject areas of contemporary relevance and job opportunities.



Source: FICCI Higher Education Summit 2012

Fig. 2. The number of institutions of higher learning has grown in the last four decades

Post Privatization control measures

There is some post privatization measure so that private educational institutions made more viable for the Indian society. Kapur and Mehta (2007), described the privatization of higher education using a phrase “ from half baked socialism to half bake capitalism” He argued that much of the massive privatization has not resulted from the ideological commitment of key factors but is instead of collapse of the state system resulting in weak ideological and institutional foundations. Within a small duration of period from 2001-2006 the unaided private higher education accounted for 63 percent (from 43 percent in 2001) of the total higher educational institutes and 52 percent (from 33 percent in 2001) of the total higher education enrollment (FICCI, 2011)

To make the privatization popular and job oriented and maintenance of higher standard of education, There are some measures that should be implemented to the private institutions such as there is a need for greater and wider post privatization control devices to safe guard quality, access, affordability and equity to regulate cost and price of the higher education. Besides its quantitative limitations and qualitative deficits, Indian higher education is also considered to be sub optimally organized and significantly overregulated, limiting initiatives for change and shifting or misdirecting private efforts. National Knowledge Commission concludes: “In sum, the existing regulatory frame work constrains the supply of good institutions, excessively regulates existing institutions in the wrong places, and is not conducive to innovation or creativity in higher education”. Pattap Bhanu Mehta, President for the Centre for Policy Research concurs: “Our regulation is faulty, because it contemplates very little place for diversity of experiments.”

All then private institutions are to be brought under exit Policy (a) Shall not to reduce the salary of the existing staff

and contribute to fee exemption and concession to socially or economically backward communities (b) Shall have opportunities to levy higher fee subject to recruitment of teaching and non-teaching staff as per Government recommendations and recommendations of the regulating authority.

Devices to safeguard quality and improve relevance

There should be good institutional mechanism to monitoring and regulating the quality of higher education. Grant and withdrawal of affiliation, accreditation and regular assessment of the institution should be made compulsory. At present universities fix the curriculum for their colleges and colleges lack their autonomy in designing their curricula according to the need of the students and according to the needs of the local area. Academic autonomy with the financial autonomy should be given to the colleges to mobilize the resources.

Regulation of cost and price

All institutions should ensure transparency in all receipts and expenditure for development of the institution and improvement of the delivery of the educational services. Appropriate mechanism can be devised by the state or the regulatory authority that there will be no capitation fee be charged and there is no profiteering tendency. Though a reasonable surplus should be maintained for the development of the institution. There should be a legal framework to regulate admissions and ensure transparency in the Institution.

Need for community participation

There is a need for greater participation of the local people, industry, old students in the in the developing and auditing the performance of the private institution. Financial assistance can be generated by alumni associations, donations and subscriptions. So that there should be an effective mechanism for participation and co-ordination of the industry, local people and old students.

Need of the competition policy

Since January, 1995 India is a founder member of the World Trade Organization, under WTO (1998) classification of services, educational services are also induced. A new manual of services negotiations was included educational services in 2000. Therefore we are in competition with all the educational institutions of the World. So there is a great need to develop a competition policy for higher education in India as a post globalization control device. This can be done by enhancing export of educational services from India to abroad.

Conclusion

As India is one of the largest, vibrant and oldest democracy and second largest country by population. World looks east for global leadership in economic growth, India has to pay consistent attention to her higher education as a source of growth in current times. As Indian higher education has a large number of complexities in context of regulations, access,

financing, equity, efficiency, quality and internationalization. But lastly we can say that privatization of higher education is the need of the hour, to a raising number of learners Government cannot provide quality education. So a lot of debate has take place on affiliation, accountability and autonomy and everyone is agree that Indian educational system needs a significant overhaul. Well come more such initiatives, the future will be ours. We will be able to match and compete with other countries and the dream to be the World's largest economy won't be difficult to achieve.

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