

# Privatization of Higher Education: Problems and Issues in India

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## ABSTRACT

*Education system of any country plays a key role in the development and prosperity of the nation. With the changing demands of the time system of education have been changed. Privatization in the field of education is quite new and fast growing concept in India. Privatization of higher education is decreasing the burden of government institutions. The main objective of the paper is to point out the main problems of privatization of higher education in India. There are also some suggestion is given regarding this problem.*

## Introduction

For the progress of any country, a well developed education system is necessary. Education is an important tool to bring equality, justice and development in the country. That's why; education is the great demand of time... 'Higher education provides people development an opportunity to reflect on the critical, social, economic, cultural, moral and spiritual issues facing humanity. It contributes to national development through dissemination of specialized knowledge and skills' (Faheemuddin, 2004). The government can't declare free itself from duty of providing higher education to its citizens. Government is responsible for providing access to all its citizens and also for improvement in the quality of higher education. There is a revolution in the field of higher education in our country in the form of privatization of education. Private sector is fastest developing area in many countries. This is era of privatization and globalization of Indian higher education actually the main concern of government has placed its focus from higher education to primary education and urged private sector to enter this sector is termed as privatization of higher education. Privatization is an emerging global trend in higher education. In its narrow meaning,

privatization is a movement away from public financing and toward private financing.

Concept of privatization includes the establishment, development and expansion of private institution with the help of privately funded and managed agencies. 'Aspect of privatization includes the development and expansion of private institutions increased reliance of public institutions on private funding, and the operation of the institutions in a businesslike manner' (Denilde Holzacker *at al.* (2009). In higher education mainly professional courses and researches are included. According to Bray (1998), privatisation is a process, rather than a state. It is the process of moving from less public ownership financing and control to more private ownership, financing or control. Privatization is nothing else but the act of reducing the role of government or increasing the role of the private sector in an activity or the ownership of assets (Boris Crnkovi 2010).

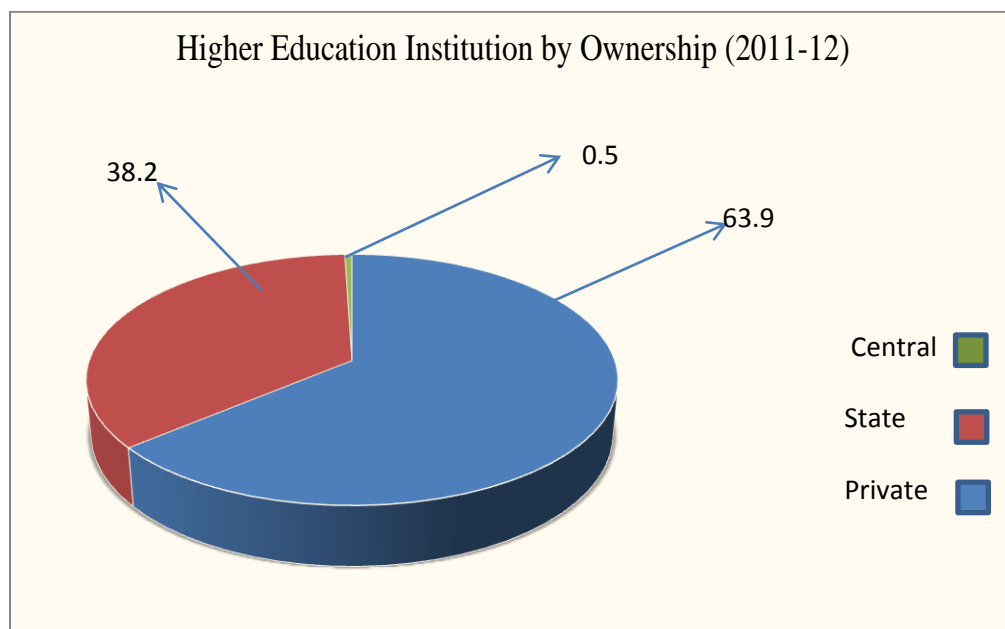
## Privatization of Higher Education in India

After independence higher education has been expanding, the speed of expansion has been faster in recent decades. This has been prominently driven by private sector. Because of the rising demand for

vocational and professional education, the private sectors start to participate in higher education sector in India.

Privatization is an important phenomenon in higher education development in 21<sup>st</sup> century. As economic reforms were introduced in India in 1991, rapid growth of higher education institutions have taken place. In the parliament in 1995 legislation for setting up of private universities at the national level that was introduced, but it is still pending for over a decade now. So state governments went ahead and set up private universities in their states. The higher education of the country is characterized by 299 state universities, 140 private universities, 130 deemed universities and 44 central universities (records released by Universities Grants Commission Record September 2012).

‘ Growth in private institutions has been significant during the 11<sup>th</sup> plan period, with 98 private state universities, 13 private deemed universities, 6,335 private colleges, 2,321 private diploma institutions being setup during this period (Annual Status of Higher Education of States and UTs in India, Summary Report,2012). This mushroom growth of private institutions shows that people are taking much interest in private institutions. Private institutions are contributing 63.9% of whole higher education system. Unaided private sectors account for around 60% of total enrolment in 2012, almost double that of the share of total enrolment of 33% in 2001.



Source: Higher Education in India: Twelfth Five Year Plan 2012-2017 & beyond

Increased enrolment percentages of students in private institutions indicate that students are highly attracted towards this wave of privatization. The

enrolment in these private institutions is 58.6% where 36.6% in state and 2.6% in central universities.

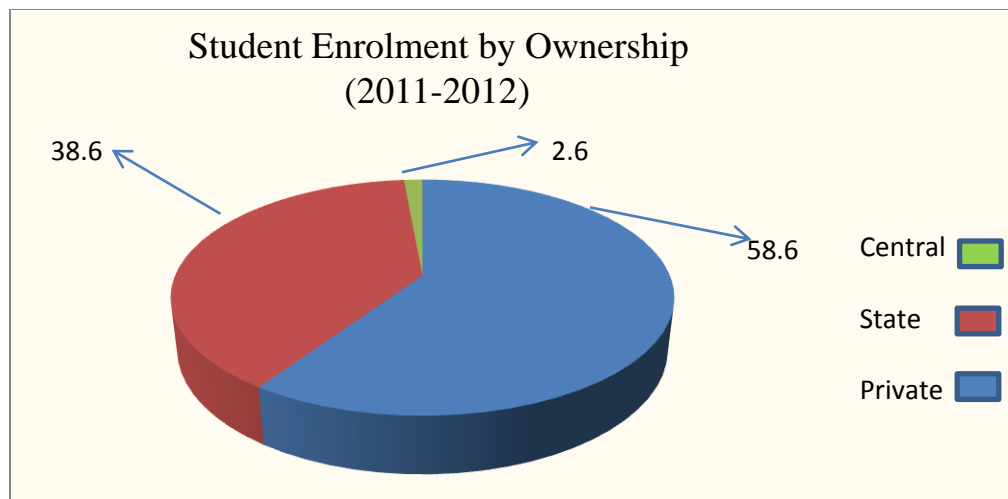


Figure 2

Source: Higher Education in India: Twelfth Five Year Plan 2012-2017 & beyond

## Need of Privatization of Higher Education

Education is stated as an important tool to gain individual, social and economic status, and therefore the demand for higher education is high. It is now accepted that without more and better higher education, developing countries will find it increasingly difficult to benefit from the global knowledge-based economy (World Bank, 2000). Access to higher education is seen as an effective means to meet raised aspirations.

Our governments (state and central) are unable to provide required “quantity” of higher education because of limited budgets. That is the reason why students are attracting towards privately managed institutions. Student enrolment in Higher Education Institutions has grown 12 times in the last four decades in 1970-71 enrolment was 2 million and in 2011-12 it was 25.9 million. There is significant gender disparity. In 2007–08, the GAR in urban areas was almost three times that in rural areas (FICCI Higher Education report 2012).

Main reasons for the development of privatization of higher education in India are:

- Growing importance of knowledge-based economy
- Lack of desirable results from governmental institutes
- Change of people attitude towards education
- The development of new technologies
- Search for knowledge-based organization
- Lack of government institution
- Production of unemployable youth from public institutions
- In privately managed institutions various education programmes implemented easily, which is not possible in the public institutions.
- For the insurance of quality and employability people started to look towards these privately managed institutions.
- Private institutions use more advanced and innovative technologies in teaching learning process.
- Qualified personnel and expert gives their services in private sector because private institutions pay them a big amount in the form of salary.

## Problems related to Privatization of Higher Education

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Indian higher education system is not only large but also the most complex one. Our higher education system is one of the largest in the world, but the Gross Enrolment Rate is below the world average. The target was to increase the Gross Enrolment Rate to 15% by the end of the 11th Five Year plan period (2011-2012), which has been achieved, and 30% by 2020. This goal requires steps to improve access to higher education across gender and all social groups, and to bridge the gap between rural-urban in order to ensure more equitable opportunities in educational participation.

“It is a worrying sign that even though the 3rd largest number of graduates in the world every year is produced in India, only 15 percent of our boys and girls passing out of college have the skills required to become employable! This brings in concerns that students are getting degrees, but not getting employable hands-on skills”.

– Pratibha Patil, Former President of India

India is facing crisis in higher education, higher education institutions in India have become incapable of producing students who have skills and knowledge. Though growth of private institutions is rapid, there is a serious concern about equity and quality. Fees and admission related issues are prominent in these institutions. Every year judicial reviews come to settle the conflicts between private promoters and government, yet it remains unsettled.

In 1992, the Supreme Court, in its judgment in *St. Stephens v. University of Delhi* ruled that “educational institutions are not business houses; they do not generate wealth.” In 1993, in the landmark *Unni Krishnan v. Andhra Pradesh*, the court reviewed the state’s right to interfere in the admission policy and the fee structure of private professional institutions. It held that education, being a fundamental right, could not be the object of profit-seeking activity. On this ground, the Court sought to regulate the activities of what came to be

known as capitation fees colleges that charged students high fees to recover costs.

Main problems of privatization of higher education are given below:

### Out of Access for poor

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Poor and illiterate parents cannot afford tuition for their children. So it is not possible to admit their children into private institution of higher education. ‘Government has given too much independence to these private institutes which would lead to the commercialization of education. This would give rise to many problems like in fees, capitation exploitation etc. A steep hike in fees does not ensure higher education accessible, equitable and affordable to all’ (Shammi Bajaj, 2012). Since tuitions fees are high for almost entire professional education (whether delivered in public or private institutions) and most people find only professional education useful, therefore useful higher education is now out of the reach of the poor (Agarwal, 2008b). With rising tuition fees, ensuring equitable access to student coming from poor families is now a major challenge (Agarwal, 2006). Privatization does not guarantee lower budget expenditures,

### Lack of Awareness

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In the areas of small scale industry parents want the help of their children. So they hardly permit to their children to complete secondary education. They never think of sending their children in private institutions for higher education. In the case of girls the condition is very poor. Parents are not aware about the fact that education of women, especially higher education is the demand of the time. Most parents think that to provide higher education to their girls in private institutions is wastage of money and time.

### Quality Issues

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At the present time establishment of private institution is money making business. These institutions are not following the criteria of admission and examinations. This is the big problem that parents of poor family sending their children in costly private institutions by cutting their daily needs, but these institutions are giving low level output. Private institutions have their focus on quantity, not on quality (Shammi Bajaj2012). That is the reason of decreasing quality of higher education. National Association of Software and Services Companies (NASSCOM) - Mc Kinsey Report (2003) found out that mere 25% of technical & 10% non technical graduates are actually employable. So we can't assure about the performance of students to see their conditions. Because of low quality of performance our institutions are not in 200 top institution of the world. India, only profit factor thrives these institutes and efficiency is neglected (Rani, 2003). Private sector may compromise the quality of public services because of the profit motive.

## Political Influence

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Here in India political leaders are using their power and wealth and establishing private professional educational institutions and they are securing their future. In these institutions only elite class are able to get education. These institutions are just working like factory, taking more and more sub standard students and producing more degrees of poor quality.

## Poor Academic Background

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Ensuring equitable access to quality higher to students coming from poor family is a major challenge. Students from poor background are put to further disadvantage since they are not academically prepare to crack highly competitive entrance examinations that have bias towards urban elite and rich students having to access to private tuitions and coaching. Boris Crnkovic (2009) pointed out the drawback of privatization that 'Private sector does

not take into accounts economically marginal groups and individuals.'

## Faulty Admission Process

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Here the admission criteria are not higher and students with a very low IQ are also getting admissions creating an oversupply of low calibre products in the market. These institutions are taking admissions by donation, and ignoring the criteria of admission. Students of 'elite ' classes with low academic performance are getting admission and bright students of poor strives for admission.

## Attitude towards Education of Girls

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Attitude of community towards the higher education of girls is not very positive. Enrolment of the girls in private institution of higher education is very low. First of all parents don't want to spend money in such type of education which is costly. Second thing is that matter of security, and parents don't want to send their girls to hostel, due to advance environment of these institutions.

## Growth of Fraud Universities

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In recent years growth of fraud institutions can be seen. Many institutions declared fraud as they were distributing fraud degrees. These Institutions give ads in newspaper's classified and due to lack of information and awareness generally people become victim of such type of institutions. Such institutions also exploit students as well as teachers also.

## Lack of Transparency

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Due to lack of transparency and fair play (or perception of the same), private institutions do not have incentive to do the right things. Therefore standards continue to fall and some private institutions indulge in gross malpractices creating a poor overall image of private higher education.

There is lack of regulatory body for privately managed institutions. So they ignore rules and regulations frequently.

### Lack of research activity

In privately managed institution there is no activities are taking place. These institutions are only caring about placement of their students at any cost, anywhere. They are ignoring the importance of research and innovation, by which the nation can develop.

### Equal access

Private sector does not take into account economically marginal groups and individuals. Private sector works for profit and governments' works for general well-being and mushroom growth of private institutes ignoring welfare of the society. Welfare of minority is not the matter of these institutions. Though these institutions came into existence with the aim equal access to all. Beside these problems privatization of higher education is facing following problems:

- Privatization of higher education does not guarantee lower budget expenditures.
- Privatization encourages corruption in various forms, and several time people are the victim of corruption knowingly and unknowingly.
- Privatization reduced the responsibility of the public sector.
- Privatization causes states to lose control over privatized services.

### Suggestions

There are few suggestions regarding to increase the participation of people in higher education and in taking benefits from privatization of higher education by the help of which people can actively

participate in the development of the society as well as country.

- First of all awareness about higher education should be developed through various policies and programs.
- Financial support in the form of educational loans, scholarships should be provided to the students who are receiving higher education in private institutions.
- Most importantly the quality of these private institutions should increase. Because these institutions are not money making machines, but these institutions are responsible for preparing students to compete in international market and to face the challenges successfully.
- Hostel facility also should be provided at reasonable cost. Government should ensure that these private institutions are providing residential facilities to poor at low cost.
- Role of NGOs also should be very crucial in providing valuable suggestions to government regarding to improvement in educational system.
- NGOs can help by developing awareness in them about changing demands and needs of the time.
- There should be regulatory bodies for assessment and accreditation of these institutions. These bodies can keep their eyes on these institutions.
- Research activities should be encouraged in private institutions and government should grant funds for the same.
- Quality of education provided by these institutions should be ensuring.
- Government should take strict step against fraud institutions.
- Secure environment should be provided to the girls.
- Though new concept of Public Private Partnership introduced, but private institutions cannot run for their responsibilities.

## Conclusion

Privatization of higher education is nowadays very important and sensitive issue in developing countries like India. The main reason behind increasing trend of privatization is fast growing population and need for institutes of higher education which led to ultimately opening of private institutions because it is not possible for the government to open up so many institutions. Although privatization is not considered as bad for any field, if they provide quality products, but in case of privatization of higher education it is recent trend that they are not interested in quality education, rather than it becomes a very profitable business to them. These institutions are not in reach to the poor students. Students got admissions not on the basis of academic record or intelligence but only resourceful and rich students got admitted and this is the drawback on quality education. So, it may be concluded that there is need to increase awareness among youths towards higher education and governmental and non-governmental organisations should take interest and point out the educational quality in these institutions. These institutions should enhance their educational status because our country's future is in their hand, that they are producing students with competitive skills or not. This is the era of competition and students with weak background cannot exist in this fast growing world.

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