

Impact of Privatization on Higher Education in India

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***Abstract** – Education is an important vehicle of Indian economy and one of the most important needs of human beings. All developing countries are under great pressure to minimize the public expending on higher education. The main function of higher education is to add real value to human resources and produce wealth creators and leaders in all fields like business, professions, politics, administration etc. In this paper researcher wants to explore the positive and negative effective effects of privatization in higher education in India. This Paper is based on secondary data, but somewhere we have taken interviews with educationists and professionals and also done survey to know the actual status of it.*

***Keywords:** Education, Privatisation, Development*

INTRODUCTION

Education is aimed at the overall development of children. Many economists and educationists advocate the private financing in higher education. In global scenario we can see that privatization is a common trend. India has already entered into the era of knowledge explosion. Now we are producing scientists, engineers, technologists, doctors, teachers and managers who are in great demand all over the world. It is generally understood as the intensive development and expansion of private institutions, increased reliance of public institutions on private funding, and operation of the institutions in a businesslike manner. In the field of technical education we are providing significant contribution of manpower and tools to the global market and reaching among one of the top ten countries. The price that is student fees levied may be equivalent to the full cost or full cost-plus-profit in some instances. Higher education in India has experienced phenomenal expansion since independence.

Privatization implies applying market principles to the functioning of public institutions of higher education. Many countries tried to explore alternative sources other than the public treasury for various development programmes. It has proved its tremendous potential by its performance in nuclear and space domains.

OBJECTIVES OF THE STUDY

- (a) To analyze the need of privatization of higher education in India.
- (b) To give suggestions regarding the privatization of higher education.

NEED FOR PRIVATIZATION OF HIGHER EDUCATION

It is accepted worldwide that Education is the most important investment for the development of human resources of a country. The Primary objective of the Indian Government is to provide education for all.

Higher education was largely funded by the central and state governments till the early nineties. After year 1991 the policies of the Indian government have changed. It is a key for technical innovation and economic development. The government started to discuss removal of public support to higher education and make it self-financing. It indicates that the role of government underwent a change now the government became the provider as well as regulator of higher education. Due to privatization of education in our country, government has diverted its focus from higher education to primary education. Providing free primary education has been stated in the constitution as one of the objectives of the government. This has had an adverse impact on investment in higher education. Universities have always tried to influence the

government to release more funds for higher education. The government invited private sector to enter this field of higher education. Due to the increasing demand of higher education for specific purpose the government allowed the private sector to establish fee-paying and self-financing institutions. However the government has been seeking alternative sources as well for funding higher education. There are currently around 1.29 billion people in India, making it the second most populous nation on the planet and the most populous democracy. Only 25% of the higher education age group was enrolled in higher education in India as of 2013, in comparison to the UK or France where the number is around 60% or Brazil, another BRICS country, where the rate was around 36% in 2009.

Table 1 Demand and supply of Education

S.no.	Colleges	Aggregate Demand	Aggregate supply	Gap in %
01	Arts and Science	10469	11954	12.42
02	Engineering	10990	14655	25.01
03	Medical	1259	1280	01.64

Source: FICCI higher Education 2015

Policies of Higher Education at the policy level are very complicated especially so in higher education. There are three important dimensions of higher education: This involves transfer of ownership and management of institutions from

government to private sector or a mix of government and private sector. This refers to the shifting from present public financing of government and government financed private colleges to private financing. This includes private foreign financing as well.

There can also be a combination of public – private financing of government colleges. This includes the establishment of new colleges as well as continuation of the

established colleges under entirely or in collaboration private ownership, management and financing.

Table 2 Growth of Private Institution in India

S.No	Year	Share of Private Institutions to total Inst.	Share of student Enrollment to total enrollment
01	2001	42.6	32.9
02	2007	61.8	58.9
03	2012	63.9	67.1
04	2015	65.2	68.3

Source: FICCI higher education summit (2015)

Above mentioned table 02 indicates the growth of private institutes in India and increasing number of student's enrollment. On the basis of above mentioned table we can say that demand of Higher Education in India is increasing continuously. There are many private colleges in India which can be divides into following category:

- (a) Aided colleges
- (b) Unaided colleges

Positive impacts of privatization of higher education

- (a) There are number of positive impacts of privatization on higher education.
- (b) Privatization is the only way to fulfill the increasing demand of students into higher education. The government has accordingly increased the investment in primary education. However the investment in higher education has suffered.
- (c) In order to satisfy the growing needs of the students for higher education,

the private sector is playing an important role.

- (d) According to Supreme Court of India, unaided professional institutes are autonomous in their administration and decisions (Bajaj, 2012). Whereas private institutions have to follow necessary guidelines notified by the Government to regulate admissions, examinations, recruitment of staff etc.
- (e) Private sector in higher education has started many new private Institutions in higher education. This rapid growth of institutions facilitates to provide employment to teaching and non-teaching staff.

Drawbacks

- (a) The following are some of the drawbacks of privatization of higher education in India.
- (b) The rapid growth has no doubt led to a quantitative increase in the number of colleges providing higher

- education but affected the quality of education on one side and government may not keep sufficient control over these unaided colleges on the other side.
- (c) Due to privatization, there is the high risk of commercialization of Education. A competitive atmosphere would be created, some colleges would concentrate on profit making rather than on improving the standard of education.
- (d) The victims of commercialization are teachers, students and parents. Teachers working in these private institutions are found as being underpaid. Some are terminated at the end of the session.
- (e) There is always an uncertainty in their career. Many private colleges appoint part time and poorly qualified teachers so that they do not have to pay 87 much. These teachers are hardly exposed to any in-service training, orientation courses and research activities.
- (f) If the private institutions are given too much independence due to Privatization, they would create monopolistic situation in higher education. This would lead to many problems such as high fee structure, capitation fee, exploitation of teachers, etc.
- (g) Recently there was hike in fees in privatized colleges which was a major uproar and the Government had to give in to the pressure. With privatization foreign Institutions have been allowed to enter into the form of franchise in our country.

- (h) Some of the private universities are not reputed or recognized in their own countries. Even in India we don't have any control or restriction on the standard of their qualities. Most of the Private colleges although adhering to standard admission Procedures like conducting entrance tests, interviews, etc. tend to admit students by charging excessive fees. Merit invariably takes a backseat and those are able to spend more money often tend to get admitted, without satisfying the admission requirements. Devices to safeguard quality and improve relevance: There should be important institutional mechanisms for monitoring and regulation of the quality of collegiate education.

SUGGESTIONS

There are the National Assessment and Accreditation Council (NAAC) and International Organization for Standardization (ISO) 9000 (Narayana, 2006). If NAAC's accreditation is made compulsory for all colleges, it shall go a long way in professional improvement of quality of higher education, along with mandatory affiliation requirements. An important determinant of relevance of collegiate education is its curriculum for various courses. At present, the universities fix the curriculum for their 88 colleges. Thus, colleges do not have autonomy in designing their own curriculum according to the particular needs of students. To bring in innovations, dynamism, and improve relevance, colleges should seek and universities must offer academic autonomy. Academic autonomy may go along with financial autonomy for fixing college-specific student fee structure and other sources of resource mobilization. Conclusion: The concept of privatization of

higher education in India is not new at all. Since economic reforms the trend towards privatization has been on a large scale. The entry of private institutions and colleges would reduce the burden of state in providing higher education to its aspiring youth entrants into higher education. Some regulatory provision and measures should be taken to improve the quality of education. One supreme body should be place by government to control the private sector in education. The state cannot absolve itself from the obligation of providing education to its citizens especially when the majority of whom cannot afford education in private professional institutions.

CONCLUSION

To ensure access to higher education by weaker sections of society, government has to increase public expenditure on higher education. Although there are many drawbacks of privatization of higher education, it is necessary to expand the present educational system. Basic infrastructure facilities should made available for new players in this field. On the whole, an improvement in the standards of education could be achieved through a balanced relationship between public and private sector.

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