



A STUDY OF PERCEPTION OF STUDENTS ON AFFORDABILITY, FINANCING AND PRIVATIZATION OF HIGHER EDUCATION IN INDIA

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ABSTRACT

Globalization has brought immense opportunities in the field of education but on the other hand it is felt that the benefits of education flow to them who can pay for it. Has higher education in India become a commodity, and if at all it has, then how far are the stakeholders willing to accept it as something that can be bought or sold at a price which may not necessarily be affordable to many? Students are central to the teaching- learning process. The present descriptive study draws conclusions on affordability, financing and privatization of higher education in India based on the perceptions of a purposively drawn sample of students pursuing both general and professional courses from various types of higher education institutions, by administering a self- designed questionnaire.

The major findings of the study revealed that higher education has become a gateway to earn more money. The preference for studying in public universities precedes the preference for private counterparts. The annual fee range for professional courses is higher than the general courses at both the graduate and post- graduate level. Across the types of higher education institutions, the range for annual fees is higher in private universities and self-financing institutions for similar courses being offered in government universities and colleges. Students perceived that the government is not adequately financing higher education in India and this has led to proliferation of private institutions of higher education. A rational fee regulation mechanism should put in place by the government to be followed by all the higher education institutions. Furthermore, higher education system in India must

remain predominantly within the government domain. However, regulated growth of private sector may be encouraged for expansion of higher education in India.

Keywords: Affordability, Financing, Higher Education in India, Privatization

INTRODUCTION

The market orientation of higher education has gained currency, stifling the academic autonomy that is central to creating a dynamic learning environment. The quantum of public funding has decreased over the years. The concept of academic excellence has undergone a change. In the present scenario it means acquisition of skills by the student ‘customer’ that allows her/him to get a good market price for these skills. For the institutions, excellence entails providing skills that is to be judged according to the fee charged for it. This means that ‘those who pay less, get less’ (Prasad, 2005).

The present day higher education system in India has undergone a change its role and purpose, overall functioning and relevance for the society. On one hand, globalization has brought immense opportunities in the field of education but on the other hand it is felt that the benefits of education flow to them who can pay for it. Has higher education in India become a commodity, and if at all it has, then how far are the stakeholders willing to accept it as something that can be bought or sold at a price which may not necessarily be affordable to many? In a democratic country, the voices of the community members need to be heard and their views and perceptions understood for evolving appropriate changes.

RATIONALE FOR THE STUDY

Students are central to the teaching- learning process. They hold the highest stake in the higher education system. Their entire future would be at risk if the system does not prepare them adequately to meet the challenges of life. Students sustain an emotional bond with their educational institution only when the experiences they have had during the learning phase were fulfilling, satisfying and enriching. The positive experiences of being taught by good faculty, proper infrastructure and support systems in the institution are always nurtured by students. On the contrary, they wish to forget bad experiences in a poor quality institution. Further, it is in the hands of high quality higher education institutions to produce students who can become an asset for nation building. Thus, it is crucial to seek the views and

perception of students on various aspects related to affordability, financing and privatization of higher education in India.

OBJECTIVES OF THE STUDY

1. To identify the reasons for choice of a particular course by students studying in various higher education institutions in India.
2. To identify the reasons for choice of a higher education institution by students.
3. To compare the existing fee structure for general education courses being offered in higher education institutions in India.
4. To compare the existing fee structure for professional education courses being offered in higher education institutions in India.
5. To gain the perception of students on financing of higher education in India.
6. To gain the perception of students on privatization of higher education in India.

DELIMITATIONS

1. Perception of students on affordability, financing and privatization of higher education were studied in National Capital Region (NCR) Delhi.
2. Perception of students on affordability, financing and privatization of higher education were studied with respect to general and professional education.
3. Perception of students on affordability, financing and privatization of higher education were examined both at the graduation as well as the post graduation level.

RESEARCH DESIGN

Descriptive method of research was selected for quantitative analysis. An initial draft of a questionnaire was designed after in – depth discussions with academicians in and students of higher education institutions to clarify important dimensions of the topic. Several steps such as preparation of the first version of the questionnaire, its validation by experts, preparation of the second version after including the changes suggested by the experts, pilot testing and ascertaining the reliability were undertaken before the elaboration of the definite version of the questionnaire for students of higher education.

Sample

A sample of 460 students was purposively selected so that an even distribution across various types of higher education such as central universities, state universities, private universities, deemed universities, government aided institutions and self- financing institutions could be gained. Out of these 460 students, 250 students were studying at the graduation level (89 students pursuing general courses like B.Sc., B.Com., B.A. and 161 students pursuing professional courses like B.C.A., B.B.A, B.Ed., B.J.M.C) while the rest 210 at the post-graduation level (93 students pursuing general courses like M.Sc., M.Com., M.A. and 117 students pursuing professional courses like M.C.A., M.B.A, M.Ed., M.J.M.C). Out of the total sample of students, 198 were males and 262 were females.

Tool

The questionnaire for seeking the perceptions and views of students in higher education institutions consisted of closed –ended questions. The questionnaire was divided into three sections. Section A of the questionnaire, requested the respondents to provide their personal information. In Section B, information related to the institution from which the student was pursuing a higher education course was sought in the form of a check list (Yes/ No type questions) and some information seeking questions on fee and other related matter. Section C of the questionnaire comprised of statements to be rated on a three point scale of response (i.e. Agree, Agree to some extent and Disagree) to seek the perceptions of students on affordability, privatization and financing of higher education.

Statistical Treatment

Percentages were computed for the data generated from the respondents in the questionnaire.

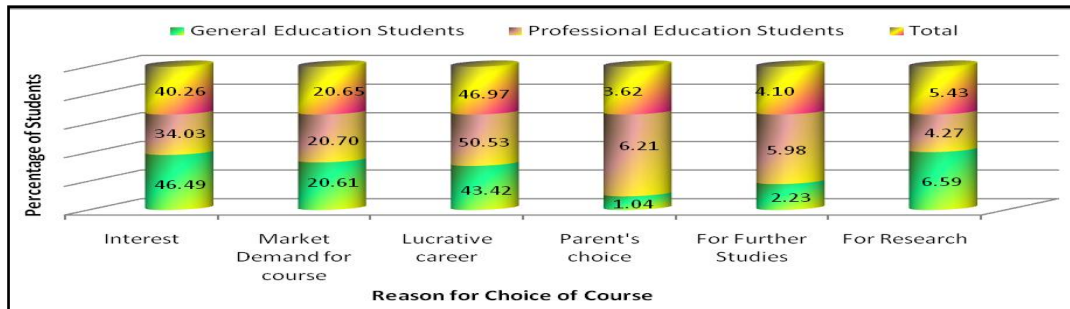
ANALYSIS AND INTERPRETATION

Choice of Course

The students were asked to state the reasons for their choice of a particular course of study at the higher education level. Many students gave multiple responses to state the reasons. A percentage analysis of their responses was undertaken by the investigator. Overall percentages exceeded hundred as the respondents were free to give multiple responses to the question. It was observed that interest in the course and the desire to pursue a lucrative career

are the two major reasons for choice of a higher education course by students of both the general and professional education streams. The other reasons include market demand for the course, parent's choice, desire to pursue further studies and research. Figure 1 highlights the reasons for choice of course by higher education students in total, and specifically for general and professional streams.

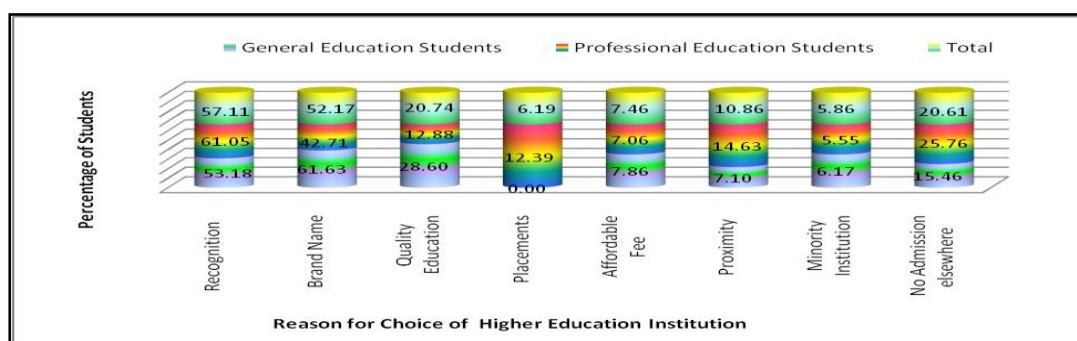
Figure 1: Reasons for Choice of Course by Higher Education Students



Choice of Higher Education Institution

Choice of a good educational institution plays a pivotal role for the aspirants of higher education. Both students and their parents dedicate all efforts in selecting an educational institution for pursuing higher education. The decision becomes even tougher when there are limited public institutions and numerous private counterparts are available. Apart from the aspiration to study in a public higher education institution (HEI) such as a central or state university or a government aided college, students also follow other reasons such as the brand name, quality of education, proximity to home and placements offered by the institutes. Some students choose an institution for higher education simply because they do not get admission elsewhere in a desired course of study. A few students accord importance to educational institutions that are run by their minority group. Responses from students revealed very clear reasons for choice of a particular higher education institution for study. Figure 2 is a diagrammatic representation of the reasons given by students in total and specifically in general and professional streams of higher education for their choice of institution.

Figure2: Reasons Given by Students for Choice of Higher Education Institution for Pursuing Studies



Price of Prospectus

A prospectus serves as a written evidence for public disclosure of various facts and information related to the educational institution. Since application does not ensure admission in a particular higher education institution, a student may have to apply in different universities and colleges and purchase their prospectus. Many a times, a student may have to buy separate prospectus containing an application form when she/he intends to apply for different courses in the same university or college. With a large number of aspirants of higher education applying for admission in various courses, the prospectus becomes an object of revenue generation for the educational institution. The price of prospectus of various higher education institutions selected as sample for study has been presented in Table 1.

Table 1: Price of Prospectus of Various Higher Education Institutions

Nature of Higher Education Institution	Price (in Indian Rupees) (For academic Session 2013-14)	Mode of Availability	
		Print Copy	Online Access on Institution's Website
Central Universities	Rs. 100- Rs. 500	✓	✓
State Universities	Rs. 1000	✓	✓
Private	Rs. 1100	✓	×

Universities			
Deemed Universities	Rs. 100- Rs. 1100	✓	✓
Government Aided Institutions	Rs. 100- Rs.500	✓	✓
Self Financing Institutions	Rs. 500- Rs. 1500	✓	×

It can be seen from the table that the price of prospectus in various higher education institutions ranges from Rs. 100 to Rs. 1500.

Fee Structure

“Fee is a price for education” (Tilak & Varghese 1985, p.2). Increasing fees is a commonly suggested cost recovery method in higher education (Varghese, 2000). In India, it is a dual combination of resource crunch in the public sector and the emergence of a significant private sector. In India, fee constitutes 15 per cent of expenditure on higher education (Prakash, 2007, p. 3257). The Indian household incurs as much expenditure as the government in education (Tilak, 1991). “The total fee paid by a student comprises of the (i) tuition fees and (ii) other fees which include special fees, examination fees, laboratory fee, eligibility fee, transfer fee, convocation fee, etc.”(Tilak & Varghese, 1985, p.8). Table 2 presents an overview of the existing fee structure in various higher education institutions selected as sample for the study.

Table 2: Existing Fee Structure in Sampled Higher Education Institutions

Nature of HEI	Annual Total Fee* Range (in Indian Rupees)			
	* (for academic session 2013-14)			
	General Education Stream (Science, Commerce and Humanities)		Professional Education Stream (Management, Computer Application, Education, Journalism and Mass Communication)	
	Graduation Level	Post Graduation Level	Graduation Level	Post Graduation Level

Central Universities	Rs. 5,600- Rs, 6,500	Rs. 4,500- Rs, 12,500	Rs. 5,800	Rs. 5,000- Rs, 48,000
State Universities	Rs. 32,000	Rs. 36,000- Rs. 53,000	-	Rs. 48,000- Rs. 53,000
Private Universities	Rs. 83,000- Rs. 1,41,000	Rs. 35,000- Rs. 1,85,000	Rs. 35,000- Rs. 3,83,000	Rs. 60,000- Rs. 7,00,000
Deemed Universities	Rs. 65,000- Rs. 1,00,000	Rs. 50,000- Rs. 1,10,000	Rs. 10,000- Rs. 65,000	Rs. 7,000- Rs. 1,00,000
Government Aided Institutions	Rs. 3,500- Rs. 35,000	-	Rs.3,500- Rs. 12,000	Rs. 3,000
Self - Financing Institutions	-	Rs. 45,000	Rs. 40,000- Rs. 80,000	Rs. 15,000

Source: Data collected from Students and verified from Official Website of Universities and Colleges

It may be inferred that the annual fee range in various higher education institutions is higher in professional stream in contrast to the annual fee range for general stream. Additionally, it may be noted that the annual fee range in various higher education institutions is higher for post-graduate courses in contrast to the annual fee range for graduate courses in various higher education institutions.

Capitation Fee

Charging capitation fees from students at the time of admission has been banned by the Supreme Court of India. Though institutions claim that they do not charge capitation fee, it has been reported by a few students that higher education institutions do ask for donation at the time of admission. Many higher education institutions like private universities and deemed universities charge fee under 'sponsored' and 'non-sponsored' category. The students of general education stream studying in private universities (67.50 percent students) and deemed universities (41.66 percent students) revealed that their university charges capitation fee in the form of 'sponsored' and 'non-sponsored' category while all the students in central universities, state universities, government aided colleges and self financing institutions denied the same. Also, 36.26 percent professional stream students studying in

private universities, 18.38 percent in deemed universities and 29.86 percent in self- financing institutions stated that capitation fee is charged from students who do not qualify for admission in the institution. All the students studying in central universities, state universities and government aided institutions revealed that capitation fee is not charged at the time of admission. In total, 18.19 percent general education students and 14.08 percent professional education students revealed that capitation fee is charged at the time of admission against management/paid seat or sponsored and non- sponsored category.

Demand for Money (other than fee) during the Academic Session

Out of the total students in general education stream, 90.16 percent students expressed that the higher education institution in which they were studying does not demand for money other than fee, during the academic session. While all the students in central universities, state universities, government aided colleges and self financing institutions denied that they were asked for money by the university/ college during the academic session, 35 percent students of private universities and 24.09 percent students of deemed universities reported that the institution charged them for education tours, fresher's and farewell parties and sale of uniform and stationery items.

Moreover, 16.13 percent students of professional education stream reported that money other than the scheduled fee is demanded during the academic session. While 47.5 percent students of private universities, 5 percent students of deemed universities and 44.32 percent of self- financing colleges expressed that money other than fee was demanded by their institution, all the students in central universities, state universities and government aided colleges denied the same. The reasons stated by professional education students were the same as those given by general education students- that is, money is charged for education tours, sale of placement brochure and contribution for fresher's and farewell parties. A few B.Ed. students studying in self financing institutions revealed that money was demanded during practice teaching and final practical examination.

Imposing Fine on Students

Students in central universities, state universities, and government aided institutions stated that their institutions do not impose fine on students for minor reasons. Though all the general education students denied of any fine being imposed on them by the institution, 44.28 percent

students pursuing a professional course from private universities, 5 percent students from deemed universities and 21.40 percent students from self financing institutions ascertained that fine for late coming, shortage of attendance and late submission of assignments was collected from them. In total, only 11.78 percent of students pursuing professional courses had revealed that fine is imposed for minor reasons.

Views on Financing of Higher Education

The views of students on the financing of higher education were gathered through the questionnaire in the following areas:

Decline in Public Expenditure

Out of the total number of students, 58.32 percent students agreed, 21.77 percent students agreed only to an extent and the remaining 19.91 percent students disagreed with the statement that the government is not adequately financing higher education and this had led to the proliferation of private higher education institutions.

Free Higher Education

Out of the total students, 69.08 percent students agreed with the statement while 24.76 percent students agreed to some extent and the remaining 6.16 percent students disagreed with that free higher education should be provide in India.

Education Loans

To enhance access and equity in higher education, education loans are seen as an effective method of cost sharing. The governments in many countries offer public finances through loans to students. Another way of obtaining education loans is through the banks. At present many public banks as well as private banks offer education loans to students. 89.85 percent students agreed with the statement, 8.23 percent students agreed to some extent and just 1.92 percent students disagreed that both public and private sector banks must offer students same eligibility criteria of availing education loan.

In addition, education loans may be unavailable to the students from economically weaker sections of the society due to high rate of interest charged by lending financial institutions. Many banks charge high rate of interest on education loan. If loans are not

available to the needy students to bear the escalating cost of higher education, it may not be possible for them to pursue higher education. Even for students who wish to pursue higher education from universities abroad, a high rate of interest on education loan may make it difficult to avail the opportunity of getting a higher amount of loan. Out of the total students, 94.48 percent students agreed, 5.23 percent students agreed to some extent and the remaining 0.29 percent students disagreed that the rate of interest charged by various banks on education loan should not be high for the aspirants of higher education. Furthermore, 82.73 percent students agreed, 10.68 percent students agreed to some extent and a meager 0.59 percent of students disagreed with the statement that government should provide subsidy on education loans to the weaker sections. Vis-à-vis subsidization of education loans for the socially disadvantaged students 89.08 percent students agreed, 9.18 percent students agreed to some extent and just 1.74 percent of students disagreed with the statement. Concerning subsidy on education loans to the women, 89.29 percent students agreed, 9.31 percent agreed to an extent and 1.40 percent disagreed with the statement.

Views on Privatization of Higher Education

The views of students on privatization of higher education were gathered on the following dimensions:

Privatization and Access to Higher Education

In total, 51.26 percent students agreed, 32.29 percent students agreed to an extent and the remaining 16.45 percent students disagreed with the statement that privatization has increased access to higher education in India.

Privatization and Commercialization of Higher Education

While 69.77 percent students in total were of the perception that privatization of higher education has led to commercialization of higher education in India, 23.50 percent students agreed only to an extent and the remaining 6.73 percent students disagreed with the same.

Transparency in Functioning of Private Higher Education Institutions

A majority of students perceived that private institutions are not transparent in their functioning as it was found that on the whole, 45.33 percent students disagreed with the statement that private institutions are transparent in their functioning. While 26.56 percent students agreed that private institutions are transparent in functioning, 28.11 percent students agreed only to an extent, indicating that a greater percentage of students either disagreed or agreed only to an extent with the statement.

Insufficient Disclosure of Information in the Prospectus and on Website

Often it is found that the private institutions do not disclose in their prospectus details on admission requirements, fees to be charged, details on faculty and results of students. Students were asked to give their perception on this issue. Responses from students revealed that out of the total number of students, 56.06 percent students agreed that private institutions do not disclose in their prospectus details on admission requirements. Further, 62 percent students viewed that fees to be charged is not mentioned in the prospectus of private institutions. While 71.20 percent students perceived that private institutions do not disclose in their prospectus details of faculty; 72.59 percent students agreed that results of students are not publically disclosed in the institution's prospectus. This clearly indicates that students perceived that private institutions engage in insufficient disclosure of information in the prospectus.

Higher education institutions are expected to provide relevant information related to admissions, fee, faculty profile and results of students on their official website. Responses given by the students revealed that in total, 59.22 percent students agreed that private institutions do not disclose on their website details on admission requirements. In addition, 61.21 percent students viewed that fees to be charged is not mentioned on the official website of private institutions. While 50.29 percent students perceived that private institutions do not disclose on their website details of faculty, 72.13 percent students agreed that results of students are not publically disclosed on the institution's website.

Misleading Advertisements for Admission

In order to lure students to take admission, many private institutions adopt malpractices such as use of misleading advertisements, to misrepresent the reality and misinform the

prospective students. Often the infrastructure, facilities and activities that are advertised by private institutions lack authenticity. In this study, 66.22 percent students in total agreed, 21.44 percent students agreed only to an extent and the remaining 12.34 percent students disagreed that advertising is used to misrepresent mislead and misinform prospective students for admissions into private institutions and universities.

Views on Expansion of Higher Education

Expansion in Private Sector

For expanding opportunities of higher education it is sometimes argued that privatization is not only inevitable but also crucial. However, it is also feared that growth in the number of private higher education institutions may lead to commercialization of higher education. In total, 54.16 percent students did not support the view of opening more private higher education institutions.

Expansion in Public Sector

The need for expansion of higher education through establishment of public institutions of higher education in India has been reiterated in various five year plans and policies on higher education. The percentage analysis of student responses revealed that on the whole, 76.19 percent general education students, 88.72 percent professional education students and 82.45 percent students in total agreed with the statement that there is a need for an enormous expansion of public institutions of higher education in India.

MAJOR FINDINGS

1. A majority of students (in both the general and professional streams and at the graduation and post graduation level) pursue a particular course at the higher education level mainly for acquiring skills for a lucrative career in the near future. This clearly speaks of the materialistic view that higher education has acquired as it has become a gateway to earn more money.
2. Students perceive government recognition to be the main reason for selecting a higher education institution for pursuing studies. Thus the preference for public universities precedes the preference for private counterparts. Another major reason for choosing an institution for higher education by the students is its brand name. Besides, quality of

higher education, proximity of the institution to home and good placement record of the institution are other for choosing a particular higher education institution.

3. The price of prospectus in public higher education institutions is lower than that in private counterparts indicating that prospectus is an object of revenue generation, especially for private higher education institutions.
4. The annual fee range for professional courses is higher than the general courses at both the graduate and post- graduate level. Moreover, the annual fee range at the post-graduation level is higher than the graduation level for both general and professional education streams in most of the higher education institutions. In addition, the annual fee range in central universities and government aided institutions is the lower for both general and professional education courses in comparison to the annual fee range in private universities which is the higher. Furthermore, the annual fee range in state universities is lower than the annual fee range in private universities and self- financing institutions for similar courses.
5. Private educational institutions like private universities; private deemed universities and self financing colleges impose fine on students for minor reasons such as late coming, shortage of attendance and late submission of assignments.

CONCLUSIONS

The government is not adequately financing higher education in India and this has led to proliferation of private institutions of higher education. A rational fee regulation mechanism should put in place by the government to be followed by all the higher education institutions. In addition, national schemes for provision of free higher education should be initiated by the government. Meritorious students should be provided scholarships by higher education institutions. Education loans should be available as a cost- sharing device for the aspirants of higher education. Both public and private sector banks must offer students same eligibility criteria of availing education loan. Rate of interest charged by various banks on education loan should not be high for the aspirants of higher education. The government should also provide subsidy on education loans to economically weaker section students, socially disadvantaged and women so as to enhance their equitable participation in higher education.

Although privatization of higher education has improved access to higher education; it has led to commercialization of higher education in India. Many private institutions are not transparent in their functioning and do not disclose in their prospectus and on their official

website; the details on admission requirements, fees to be charged, details on faculty and results of students. The private institutions and universities use advertising to misrepresent mislead and misinform prospective students for admissions.

Expansion of higher education in India entails an enormous expansion of public institutions. In their view, more and more colleges and universities should not be opened in India in the private sector. Higher education system in India must remain predominantly within the public sector (government domain). However, regulated growth of private sector may be encouraged for expansion of higher education in India.

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