



CONTRIBUTION OF PRIVATE SECTOR UNIVERSITIES IN INDIA

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ABSTRACT

The Indian education system has been having educational institutions both in public as well as private sector. Demand for higher education has been increasing rapidly. Public sector does not have the wherewithal to make huge investment in higher education. Thus because of sheer necessity, private sector came in a big way to provide higher education facilities to the needy in the shape of colleges and universities. However, most of these institutions of higher learning are viewed with suspicion for poor quality education. Many of these are also accused of making huge profits by charging high fees. But these suspicions and allegations are not based on facts. Instead, contribution towards raising the Gross Enrolment Ratio (GER) in India by the universities sponsored by private sector deserves to be lauded. Private sector universities have made immense contribution not only in providing higher education at affordable cost in geographical areas that were hitherto not accessible to higher education, but also in overall economic development and employment generation in the hitherto neglected geographical region.

However, there are some private sector universities that need to improve quality of education as well as transparency in university governance. Yet, painting all universities of private sector with the same brush is rather unfair.

Keywords: Universities, Private Sector, Higher Education, Economic Development, Employment Generation

INTRODUCTION

The Indian education system has been a mix of public institutions, private institutions and public aided private institutions. Groups like DAV institutions, SD schools and colleges and many others have co-existed with public institutions of learning. However, most of these confined themselves to schools and colleges. Universities in private sector, is a very recent phenomenon. Today, out of a total 777^[1] universities in India, we have about 374 universities (including 122 Deemed to be universities) that have been sponsored and funded by private sector, with no financial support from the state. All these universities are self financing and some of these are par excellent. In fact, in most advanced countries, the top universities are the ones that are self financing. 90% of top 200 universities of the world belong to private sector. The reason is simple. To survive in this competitive world, the universities have to perform to attract talent and consequently finance.

In India, over 60 percent of higher education learners are studying in private institutions – be it private colleges or privately sponsored universities. Yet, most of these institutions of higher learning are viewed with suspicion for poor quality education. Most of these are also accused of making huge profits by charging high fees. However, these suspicions and allegations are not based on facts. Instead, universities sponsored by private sector have contributed immensely to raise the Gross Enrolment Ratio (GER) in India.

Necessity

Demand for higher education is increasing rapidly. The poorest of poor also dreams and makes efforts to ensure that the next generation is well educated. This, incidentally, is not confined to India but is a global trend. To cater to this demand, Indian Government (be it centre or state government), does not have the resources to finance new universities. Therefore, the private sector has come in a big way to open colleges and universities to fulfill this demand in higher education. Again, this is not peculiar to India.

In most developed as well as developing countries, like the USA, UK, Japan, Brazil. Korea etc. over 70 percent students study in private institutions.

Unfair Allegations

Cost of Education. While the private universities charge much higher fee from the students, the whole amount of this fee is paid by the students. In case of Government Universities, while the

students pay much lower fee, rest of the cost, which is very high, is subsidised by the tax payer. Taken together, the money required per student in a government sponsored university is much higher than money required in universities of private sector.

To take an example of a simple B. Tech. programme, a government sponsored university spends approximately Rs.1,90,000/- per student per year while in most of private universities, the student pays less than Rs.1,00,000/- per year. This implies that universities in private sector manage to deliver quality education with about half the amount of money spent by universities sponsored by the state. While there is nothing wrong in making profit, how can one make huge profits with half the amount of money utilised than the amount needed by the so called “no profit making” government universities.? Obviously, it is unfair to accuse private sector of making huge profits.

Quality of Education. Most of institutions of higher education fall under three categories – Category 1 institutions like (IITs, AIIMS, IIMs, JIPMER, BITS and so on), the Category 2 institutions and the Category 3 (these cater to the Masses). Most Category 1 institutions belong to public sector or have been there for a long time. These are highly subsidised by the tax payer or charge exceptionally high fee.

Most of the present day universities in private sector, cater to the masses in geographical areas where higher education was hitherto, not accessible. Because of the higher fee charged from the students (as compared to the state sponsored universities), majority of the students seeking admissions in universities of private sector are the ones who did not get admission in state sponsored universities because of their low grade in qualifying examination. This implies that the cream goes to the state sponsored universities while the leftovers come to the private sector universities. The pass out students of both universities, thereafter, compete for the same competitive examinations or job. Now suppose, as a hypothetical case, 100 students with 85 percent and above got admission in Category 1 public sector universities and 100 students with 50% or less marks got admission in private sector universities. After completing their education, they all compete for a particular competitive examination where cut off marks is, say 60%. What is the inference? The Category 1 Universities got students with 85% marks and made them competent to qualify an examination requiring 60% marks whereas private sector universities (ones for the masses) got students with 50% and less marks and prepared them to qualify an

examination requiring the same 60% marks. Well, my guess is as good as yours as to who has worked harder and produced better results.

Positive Contribution

Accessibility to Education. Most of the state sponsored universities are located the capital cities or in well connected large towns, not easily accessible to majority of students living in remote areas. In contrast, many of the universities of private sector are established in areas where it was difficult for the local students to go to a university located far off. To give just two examples, the only State sponsored University in Arunachal Pradesh is located in Itanagar. The state of Arunachal Pradesh is spread over more than 400 kilometers on either side of Itanagar with Tawang on one extreme and Anini or Walong on the other extreme, involving more than 12 hours of journey by road and ferry. No wonder, the state has one of the lowest GER among all states in India. With private universities coming up in Namsai, Pasighat, Aalo, Tezu and other places, students of these areas, now have a university within a reach of two hours or so. The second example is the state of Rajasthan that had, prior to 2007, only a few state universities, all located in major towns of the state – not easily accessible to majority of children living in remote areas. Today, out of 44^[2] private sector universities established in the state, more than half are located in extremely remote areas. Had these universities not been in existence, majority of students (particularly the girl students) of these remote areas would not have received higher education unless their parents paid huge amount of money for hostels.

Another aspect of accessibility to education relates to creation of capacity. Most (I would even venture to say ‘all’) state sponsored universities, have limited capacity which created an artificial scarcity in availability of higher education to all desirous children. Scarcity brought in the regulators with inherent ‘inspector raj’. With private sector establishing universities, total capacity of student intake in the country has more than doubled within a decade leading to a sharp improvement in GER. Easy accessibility to higher education is, perhaps, the greatest contribution of universities established in private sector.

Contribution to GDP. It has been estimated that in creating infra structure and educational facilities, on average a university has to invest a sum of approximately Rs.800 crore. Thus the combined investment of all 374 universities is nearly three lakh crore rupees. This is more than the GDP of over 60% of Indian states. Neither the Centre nor any State could make such huge

investment in education. Therefore, instead of criticising the private sector, one should acknowledge this contribution of theirs.

Contribution to Bank Deposits. Each university of private sector is required to keep two to five crore rupees in fixed deposits in banks pledged to government. Thus, a combined sum of over one thousand crore rupees has been kept as fixed deposit in banks. It does not require rocket science to infer that this amount creates a capital of about twenty thousand crore rupees that is available in the banking system to provide loan.

Employment generation. On an average, one university in private sector provides direct and indirect employment to over four hundred persons taking a total to over one lakh persons. A large portion of direct employment, especially in lower jobs, is created for local population of that particular area where the university is located. In addition to direct employment, almost all indirect employment is provided only to local population, mostly in remote areas. This indirect employment takes many forms like, transportation, increased sale of food items and fast moving consumer goods, rental income from outside students and so on. Increase in income level in the area around a new university is easily visible within a year or two of the establishment of the university.

Unethical Practices

However, not all is honky dory in these universities. There are some unscrupulous universities that resort to unethical practices. There have been reports of outright sale of degree certificates by some universities. There are also reports of attending classes regularly by the students is not insisted upon. Whether attending classes regularly is mandatory for acquiring knowledge or whether there are other methods of imparting education, like digital media or internet, (a point discussed in another paper of mine) is itself a debatable point. Some universities have also been accused of using unethical methods of extracting addition fee.

However, painting all universities of private sector with the same brush is rather unfair. Over a period of time, market forces will make these universities fall by wayside and only the competent ones will survive. After all, the principle of ‘survival of the fittest’ applies here also.

Conclusion

Universities sponsored by private sector have contributed immensely in providing quality education at affordable cost in far flung areas where learners were unable to have easy access to

higher education. These universities have also led to employment generation in far flung areas and have made huge funds available to the banking sector. As in any other sector, there are some not so well organized universities in private sector also. But market forced will force such universities to come up to the desired standard or perish.

REFERENCES

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