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Abstract:

The higher education system in India is the largest in the world in terms of number of institutions. There has been a noteworthy hike in the number of higher education institutions since independence. The higher education institutions registered almost 51 fold increase during last six decades. The share of private sector in higher education took momentum in the post 2000 period. This increase has enhanced the access as well as the Gross Enrolment Ratio (GER). The private higher education has been more pragmatic and considerate to the labour market needs. Despite these merits, there exists many demerits in this private participation. There is a need for effective regulation of private higher education to address the quality and equity issues.

The higher education system of India is the largest in the world in view of the number of institutions and the second largest in the context of enrolments (FICCI, 2012). The number of students enrolled in higher education institutions is about 28.6 million. There are around 700 universities and 35,539 colleges in India (UGC, 2013). This huge setup of higher education institutions include a large private sector that has developed explicitly and outsized during the last two decades. The advance of private higher education in India has been due to; increase in the population in the relevant age cohort, great reduction in the drop-outs in the school education, increase in the transition rate from secondary to higher education, greater mandate for skilled workforce, rise in the income of middle-class, growing fiscal pressures and prioritized ends in favor of other social sectors, conducive environment for private sector participation and increase in the private returns on higher education.

While privatization in the Indian higher education has succeeded in enhancing the access to higher education, the enquiry of equitable access remains unaddressed in spite of numerous judicial interventions. In the literature on private higher education in India, it has been debated that the privatization of Indian higher education has not stemmed from the shifting ideological obligations of the key actors but due to the collapse of the state system resulting into weak ideological and institutional foundations of privatization of the Indian higher education (Kapur and

Mehta, 2004) . Thus it makes a remarkable case to comprehend the expansion of the privatization of higher education in India, and the prospects and challenges related with it.

The period from the turn of the century to independence has been termed as the country's golden age of corporate philanthropy (Mehta, 2006). Many of the most esteemed higher education institutions in India were set up by corporate houses, the Tatas, the Birlas, and the like with philanthropic intentions. Prior to independence many leading institutions of higher education were in the private sector like the Fergusson College at Pune and Deccan Education Society. In post-independence period too, Dr. T.M.Pai instituted the quality driven private institution of professional education in Manipal. After independence the conceptual orientation stressed on a state dominated model that resulted in nationalization /publicisation of private higher education. The weaknesses of public higher education were explicit and a voice of disapproval arose in the beginning of 2000. In 2000s steady endeavors were made to authorize private sector to establish higher education institutions with degree granting powers to move away from stringent and restrictive regulatory clutches. The Birla-Ambani Committee report in 2000-01 and the earlier Private University Bill in 1995 disclose efforts in this direction. In 2002, the state of Chhattisgarh led the enactment of Private University Act under the state legislature and established the first state private university Sri Rawatpur Sakar International University in 2002. This model was imitated by several other state governments and led to a sudden rise of several state private universities (Agarwal, 2006; Gosai, 2001; Gnanam, 2008, & Varghese, 2012).

The role of the private sector in augmenting the capacity creation in the Indian higher education has been immense. The setup of private institutional framework reflect the presence of private sector in the Indian higher education which include private deemed universities, state private universities, aided and private unaided colleges and the self-finance courses run by government universities and colleges. The involvement of private sector has amplified expressively during the last one decade, as reflected from the growth in the number of institutions. The share of private unaided institutes in total higher education was 42.6 percent in 2001, and it enrolled 32.8 percent of the total students. By 2006, the part of private institutes increased to 63.2 percent and the student enrollment share increased to 51.5 percent (Sudarshan and Subramanian, 2012). In 2012, the overall share of the unaided private higher education institutions reached 63.9 percent and the share of student enrolments in these institutions reached 58.9 percent (FICCI, 2013). The increase in the number of Private universities reveal a phenomenal growth in the last decade. In 2004, the number of state private universities were 14, which reached to 154 in 2013, and it further rose to 174 in 2014 (FICCI, 2013, UGC, 2013). In a short span of a decade the state private universities grew more than 12 times. Majority of them grew with the financial support from the corporate sector (FICCI, 2013). While looking at the number of

deemed universities; nearly 70 percent of them are private deemed-to-be-universities (UGC, 2013). To deal with the resource crisis and to produce supplementary revenue, government institutions too started offering self-finance courses. The stand-alone institutions were chiefly run in 2011-12 by private sector with 75.5 percent institutions managed by private sector and only 24.3 percent institutions were in the government sector (MHRD, 2013). During the same period, about 73 percent of the total colleges were in private sector.

The private unaided colleges (about 58%) did not receive government funding and were sponsored and managed by private funding. The private aided colleges which were 15 percent of total colleges received government funding. The recurrent expenditure, and in several cases even capital expenditure are funded by the government, therefore it's inaccurate term to consider them as private. The stand-alone diploma awarding institutions has principally grown in the private sector across all the disciplines. The private sector has 75.7 percent of all the stand-alone institutions, on the other hand only 24.3 percent institutions are in government sector. The private sector institutions also consists of about 70 percent of the stand-alone institutions offering technical education like the polytechnics, almost 80 percent of the institutes offering teacher training, about 85 percent of the institutes providing nursing education and more than 90 percent of the institutes offering Post graduate diploma in management. Private sector participation is more prominent in professional courses.

The private institutes accounted for 58.9 percent of the total enrolments followed by state public institutions (38.5 percent) and central public institutions (2.6 percent) during 2011-12 (Planning commission, 2013). Colleges enroll maximum number of students across the higher education system. The share of government colleges in the institutional count was 27 percent while the enrolments in it were 39 percent in 2011-12. The share of private aided colleges was 15 percent while its contribution in the enrolment was 23 percent. As against these two types of colleges, share of the private unaided colleges in total colleges was 58 percent, but the enrolments in unaided colleges were 38 percent.

The major source of income for the private institutions is derived from the fees charged to the students. About 60 percent students enrolled in private unaided institutions pay full fees, the remaining 40 percent enrolled in public-funded institutions pay very low fees. The contribution of households to the revenue stream of higher education institutions in India was around 50 percent in 2005 (Agarwal, 2006), which has increased in recent time with inflation.

Though by law a private institute of higher education cannot operate in a for-profit mode as per the respective trust registration, but they are earning profits that are not largely reinvested in higher education (Varghese, 2012; Agarwal, 2006). Students are charged fees under a variety of

heads like, tuition fee, examination fee, entrance fee, admission fee, sports fee, library fee, laboratory fee, convocation fee, etc.

Several private institutions charge exorbitant and diverse fees, beyond approved and prescribed rules to the scale of non-affordability for the most of the students (Yashpal, 2008). Many private higher education institutions have very poor infrastructure, insufficient and unqualified faculty, and levy exorbitant fees on students. The Indian industries have expressed concern that about 75 percent of the technical graduates and about 85 to 90 percent of other graduates are unemployable in nature. Similarly only about 23 percent of the 800 MBA students were considered to be employable (Sudarshan and Subramanian, 2012; FICCI, 2012). A striking observation is that more than 75 percent of the professional higher education is offered by the private sector. Therefore it raises a serious concern on the subject of the quality of education provided in such professional private institutions.

It has also been noted that in many private institutions faculty appointments are at lowest possible cost, making it unattractive for the brilliant and capable faculties (Yahpal, 2008). A number of other transgressions have also been witnessed with regard to unqualified faculty appointments, exploitation and ill-treatment in the form of longer working hours, actual payments being made lesser than the amount signed for, impounding of their certificates, favoritism in evaluation, etc.

Although there is almost a unanimity regarding the role of private higher education, but the deliberations surrounding funding patterns and regulatory oversight still lack transparency. It results in indistinctness in norms and policies for the private sector participation (UGC, 2011). Private higher education in India is multi-dimensional, both over regulated and unregulated. Several legal interventions (judicial) have delivered guidelines to elucidate the ideological or regulatory role of the higher education institutions with regard to the overlapping role and functions of regulatory bodies. In many circumstances, the judicial interventions render the future of institutions and students enrolled, by creating more misperception amongst the stakeholders.

The unaided institutions are empowered to devise their own fees structure only to permit a reasonable surplus to be ploughed back by investing in the institution. The fees that a deemed-to-be-university or a private university can charge is strictly regulated and has to adhere to the norms and guidelines prescribed by the regulatory bodies (Goswami, 2012). But these institutions overcharge through various means. The private unaided institutions do not receive direct government financing for their programmes, but are financed indirectly through the tuition fees and living expenses provided to the students from disadvantage group, which is later transferred to these institutions. Thus, government funds are channeled indirectly to many private unaided institutions. There have been specific Supreme Court verdicts that attempt to clarify the ideological

definition of not-for-profit status that private higher education should adhere to. Capitation fee was banned in a case where the institute was charging higher fees for enrolling students from other states since the Apex court felt that such fees structure were discriminatory and not permissible. In the same case, the court allowed private professional colleges to have 50 percent payment seats (also referred to as management quota whereby the managing body of the institution decides the quantum of fees to be charged) as against free seats (on which the fees to be charged are decided by the state universities to which such institutes are affiliated to). This made the private professional higher education sector very lucrative and resulted in a massive multiplication of such colleges (Mohini Jain v/s. State of Karnataka case, 1992).

Policies regarding higher education are governed by the National Policy on Education (1986) and Programme of Action (1992). According to Sudarshan and Subramanian (2012), NPE has strong underpinnings of social goods and so the profit-making is not permitted. NPE is due for a thorough overhaul, including actively considering allowing for-profit entities. The commercialization of education is also explicitly visible in many educational bodies set up by a Trust or a Society. The growing need of providing quality education and rising inflationary pressures necessitate serious considerations of only permitting the not-for-profit status. In order to give further stimulus to the higher education access, 6000 non-12B state colleges were supported during the 11th five year plan (UGC, 2011). The private unaided colleges are also being provided financial support for schemes related to teachers and students (UGC, 2011). A free voucher and other forms of stipendiary system has been envisaged with a greater role of government support (UGC, 2011). The establishment of National Education Finance Corporation (NEFC) is proposed primarily to refinance the debt incurred on education infrastructure by private and public institutions, refinance student loans and undertake credit guarantee programs.

Conclusion

Indian higher education has a long history of private institutions but in a scattered manner, subsequently getting attached to state. The non-state funding resources have been significant in the growth of Indian higher education in its initial

stages of development. Reliance on state for resources has almost doubled, i.e., from 49 percent in the beginning of fifth decade to about 84 percent in the current decade. Besides this, the private and social demand for higher education has enlarged considerably with progress in the school education and foreseen labour market opportunities for employment.

The private sector partaking has grown noticeably. The features of private higher education system that are of more concern and disquiet include quality discrepancy, inequality, under qualified faculties, lack of research, etc. Despite the limitations, there are merits of the private education

institutions. These institutions have been able to address the need of private demand for higher education, in absence of the capacity of the state to do so. The access to higher education has been made through these institutions. The growth of private sector in higher education has saved a huge public resource.

The professional programmes have been more effective in providing apposite skills than the general courses. The private institutions have been pragmatic and efficient in extending education in accordance with the labour market needs. Many private institutions have also been able to address the objective of equity through extensive financial support to the needy and deserving students. Unfortunately, such institutions are very few in numbers. The government is not in a position to even sustain the present system, although expansion remains a dream (Joshi, 2010; Joshi and Ahir, 2007). Because of growing private demand and in absence of sufficient resources, the share of private sector has to be acknowledged by the State in its policy while including the profit as an objective of their entrance and existence.

India has the largest target market for higher education in the world, with a population of 234 million in the age group of 15-24 years. The FICCI report (2011) also stated that only India is the fastest growing market for higher education market as the youth population in the age group 18-24 years is expected to increase to about 13 percent by 2020. But for the same period, it is expected to be 12 percent for China and the world average is expected to be 4 percent. The 30 percent GER target by 2020 for India is likely to be about 40 million students' enrolment. In order to achieve this target, a large share of funding will have to be channeled through private sector.

The private sector participation in higher education through partnerships is being encouraged to address the anticipated demand of 500 million skilled workers by 2022. The private higher education during almost last one decade in India has put footprints on a larger scale and will further heighten in the future. The government has proposed different models of Public-Private Partnerships in higher education and recognized the need for change. The 12th five year plan document mentions the not-for-profit status in higher education should, perhaps, be re-examined for pragmatic considerations so as to allow the entry of for-profit institutions in select areas where acute shortages persist. This should, however, be subjected to the necessary oversight and accreditation arrangements to ensure quality and equity. For-profit private higher education can be taxed and the revenue from it can be channeled into large scale scholarship programme to promote equity. (UGC, 2011 a). Though this document may show the appreciable intent, it would call for a strong political will to implement the same.

The significance of private sector in higher education cannot be denied. The only consideration in its growth relate to quality and equity issue. These issues can be resolved through appropriate regulation.

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