

## **An Analytical Study on the Rise and Impact of Privatization of Higher Education in India**

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**Abstract:** A global phenomenon is higher education. The nation's overall development, including the industrial, social, economic, and political aspects, depends heavily on the higher education system. After the United States, India has the second-largest higher education system worldwide. With the launch of the Liberalization, Privatization and Globalization (LPG) Policy in 1991, higher education began to be privatized. In India, new policies and programs were created as a result of the privatization of higher education in order to boost employment, results, and income prospects as well as to accomplish economic development at the regional, state-by-state, national, and international levels. The educational landscape in India has changed drastically as a result of it. In order to address the rising need for education, privatization encourages both the individual and society to develop schools, colleges, and private universities. Private educational institutions are thus expanding nationwide on a daily basis. There are both positive and bad effects of higher education privatization on society and education in India. Therefore, the main goals of this essay are to describe how privatization came to be a part of Indian higher education today and to evaluate its effects. Additionally, some recommendations for privatizing higher education were made in this article.

**Keywords:** Higher Education, Privatization, Globalization, University, Private etc

**Introduction:** A strong education system is essential for every nation to advance. Education is a crucial tool for promoting justice, equality, and national prosperity. Education is therefore a major time demand. "Higher education gives people the chance to reflect on the important social, economic, cultural, moral, and spiritual problems that humanity is currently facing." By disseminating specialized information and skills, it aids in national growth (Faheemuddin, 2004). The government cannot claim to be exempt from its responsibility to provide higher education for its people. The government is in charge of ensuring access for all of its residents as well as raising the standard of higher education. The privatization of education has brought about a revolution in higher education in our nation. In many nations, the private sector is where development is most rapid. The government has shifted its priority from higher education to elementary education in this era of privatization and globalization of Indian higher education, and it has encouraged the private sector to enter this market, which is known as higher education privatization. Higher education is experiencing a global trend toward privatization.

Privatization, when taken in its strictest sense, refers to a shift away from public finance and toward private financing. The concept of privatization covers the creation, growth, and extension of private institutions with the assistance of privately funded and managed organizations. According to Denilde Holzhacker et al. (2009), "Aspects of privatization" include the growth and extension of private institutions, a greater reliance on private finance by public institutions, and the management of the institutions like a company. Professional courses and research are the core components of higher education. Bray (1998) claims that privatization is a process rather than a state. It is the transition from more public ownership, funding, or control to less public ownership, funding, or control. The act of decreasing the role of the government or increasing the private sector's involvement in an activity or the ownership of something is what is known as privatization.

**Historical Background Of Higher Education In India:** Nalanda, Takshila, Vikramshila, and other renowned universities were once the focus of higher learning in ancient India. For the sake of

knowledge, intellectuals from all over the world used to visit these centers. Some of these centers had a residential setting and may be somewhat equated to modern universities. Most of these institutions were later transformed into madras as when Muslim tyrants established their control over India. Raja Ram Mohan Roy founded Hindu College in 1817, marking the beginning of higher education in India in the modern era. East India Company founded Kolkatta's Sanskrit College in 1824. Some social reformers opposed its establishment on the grounds that the masses of India should be educated in current science using European languages. The infamous Macaulay minutes were born out of this argument in 1835. The British Government in India was inspired by Macaulay's suggestion that European languages should be used as the primary medium of instruction for higher education in India to adopt English. However, since the first decade of the nineteenth century, Indian colleges have served as a model for higher learning, setting a new standard. Calcutta, Bombay, and Madras University were among the three institutions that were founded in 1857, according to the "Magna Carta of English Education in India." It should be noted that the "Magna Carta of English Education in India" stated that the goal of Indian education was to disseminate European arts, science, philosophy, and literature while also encouraging the study of Indian languages. Another two institutions, Lahore University (1882) and Allahabad University (1857), were established around the close of the nineteenth century. On the other side, there was a rise in the number of colleges from 27 to 75 over a 25-year period beginning in 1857. The demand for more universities to be established in India increased as a result of the rising number of colleges. As a result, there are now 12 universities instead of just 3. The British Indian government established the Calcutta University Commission (1917–19 1919) to investigate the issues the university was having. It may be said that the issues the other Indian universities were having at the time were similar to those at the University of Calcutta. The Calcutta University Commission's report had a significant impact on the advancement of higher education in India. Thus, the majority of the 20 universities in

the nation were teaching universities on the eve of independence in 1947.

**Higher Education In India:** The Indian educational system begins when a child is 6 years old. It entails ten years of primary or elementary and secondary school, two years of higher secondary school, three years of bachelor's and master's degrees, and at least three further years for a Ph.D. This is known as the 10+2+3 system, per the National Education Policy of 1986. In India, higher education is referred to as postsecondary education. The activities of colleges and universities that are related to higher education include teaching, research, exacting practical work, and social services. It is well known that through advancing society's technological and human capacities, higher education fosters social and economic progress. Key elements of development include institutional change and technical change. Higher education is increasingly playing a transformative role in students' lives by developing their knowledge, abilities, attitudes, and skills, while also empowering them as reflective, life-logical learners and facilitating these changes by taking into account all of the population's different demographics.

**Concept Of Privatization:** Privatization, in its broadest sense, refers to the beginning of private ownership, administration, and control over organizations or institutions. Control is exercised over decision-making, handling of finances, and administration. The progressive conversion of public enterprise into private enterprise is the most notable aspect of privatization. Therefore, it is a process that can be described as the transfer of tasks, authority, and management of resources from public institutions or organizations to private individuals or agencies. With the introduction of the Liberalization, Privatization and Globalization (LPG) Policy in 1991, higher education began to be privatized. In India over the past ten years, higher education has been privatized in a variety of ways. The introduction of self-financing courses within government institutions is an example of privatization in higher education. Converting a privately supported institution to a privately funded institution. Allowing both recognized and unrecognized self-supporting private institutions.

These could be considered private, for-profit commercial institutes of higher learning. Private parties are primarily involved in the establishment of state-sponsored private universities, deemed universities, and academic institutions with foreign assistance. This has led to an increase of higher education privatization on a daily basis.

**Objective:**

- To Study the impact of Privatization of Higher Education.
- To Find out positive and negative impact of Higher Education.

**Methodology:** - An Analytical method has been used for this study. Data are collected from secondary sources like books, magazines, journals, internet etc.

**Privatization Of Higher Education In India:** Since independence, higher education has continued to grow, though recently at a quicker rate. Private industry has played a significant role in driving this. The private sectors in India begin to participate in the higher education sector as a result of the growing demand for vocational and professional education.

A significant change in higher education in the twenty-first century is privatization. Since 1991, when economic reforms were implemented in India, higher education institutions have expanded quickly. Legislation enabling the establishment of private universities at the national level was introduced in the parliament in 1995, but it has been languishing for more than ten years. Consequently, state governments moved ahead and established private institutions in their respective states. According to data published in September 2012 by the Universities Grants Commission Record, the country's higher education is made up of 299 state universities, 140 private universities, 130 deemed institutions, and 44 central universities.

According to the Annual Status of Higher Education of States and UTs in India, Summary Report (2012), "Growth in private institutions has been significant during the 11th plan period, with 98 private state universities, 13 private deemed universities, 6,335 private colleges, and 2,321 private diploma institutions being setup during this

period." The fact that private institutions are sprouting up everywhere indicates how seriously people are taking private institutions. 63.9% of the total funding for higher education comes from private institutions. Around 60% of all enrolments in 2012 came from unaided private sectors, which is nearly twice as many as the 33% proportion from 2001.

**Need Of Privatization Of Higher Education:** Since education is cited as a key means of improving one's social, economic, and personal status, there is a significant demand for higher education. It is now widely acknowledged that developing nations will struggle to gain from the global knowledge-based economy without access to more and better higher education (World Bank, 2000). Higher education access is regarded as an efficient way to achieve higher ambitions.

Due to tight funds, neither the state nor the federal governments can offer the requisite "quantity" of higher education. That is the reason students are drawn to colleges that are privately run. In the past forty years, the number of students enrolled in higher education institutions has increased by a factor of 12 from 2 million in 1970–1971 to 25.9 million in 2011–2012. Significant gender inequality exists. According to the FICCI Higher Education Study (2012), the GAR in urban areas was nearly three times higher in 2007–2008 than in rural areas.

The following are the main causes of the emergence of higher education privatization in India:

- Policy reversal: Article 45 of the Indian Constitution states that all children between the ages of 6 and 14 must receive a free, mandatory education. Thus, elementary education has come into emphasis. As a result, the state's engagement in higher education has decreased.
- Competitive efficiency is needed: The primary argument for privatization centres primarily on the need for efficiency to foster a more competitive economic climate. It is thought that public sector businesses operate inefficiently. In terms of labour and resource allocation, it is thought that private ownership and control are more effective.
- Rapid population growth: India has a population of around 133 billion people. More

private institutions are required in order to serve a huge population. Privatization of higher education is required to meet the demand for higher education among young people in the nation.

➤ **Government debt:** Higher education in India is under financial strain. The financial burden of public enterprises cannot be supported by the state or government any longer. India now spends little more than 3.5% of GDP on education. The centre acknowledges that 6% should be the absolute minimum. Higher education is only receiving very minimal funding. Especially when contrasted to nations like South Africa, which spends 8% of its GNP on education, this performs poorly on a global scale. Therefore, it is necessary to develop policies that allows for the mobilization of private resources.

➤ **Education as an Economic Good:** Education is no longer viewed as a social benefit but rather as a crucial economic contribution. An important aspect in the development of human resources is considered to be investment in education. The private sector, which benefits from the knowledge industry, can aid in this endeavour.

➤ **Quality pursuit:** Private organizations do not have lengthy procurement processes for both human and material resources. Privatization is required in order to acquire and maintain high-quality infrastructure and equipment, including furniture, buildings, various types of laboratories, and trained academic staff who can be paid according to demand.

➤ **Rapid expansion of educational opportunities:** As there are more schools opening, demand for higher education has risen. Because the government is unable to provide this need, privatization of higher education is urgently needed.

➤ **Filling the requirement for trained labour:** The governmental sector shows relatively little initiative because of its freedom restrictions. In order to meet the need for subjects that support the country's economic development, private institutions are free to launch cutting-edge programs. It is possible to satisfy the needs of the times and the market. Privatization is necessary in this case.

➤ **Reduction of corruption:** The private sector is crucial in bringing government corruption

under control. Privatization helps enforce discipline and, to some extent, halts corruption. As a result, capacity will be utilized.

➤ **The desire for greater autonomy:** Higher education will become more autonomous through privatization, and institutions will be less dependent on the government. This will end political meddling in management, administration, and financial matters.

➤ **Technological advancements:** The microprocessor, genetics, communications, robotics, laser, satellite TV, and computer technologies have all contributed to and reinforced the information revolution. The public sector is unable to satisfy industry and other economic sectors' needs due to a lack of resources. As a result, the private sector should commit to educating workers about technology and meeting consumer demands.

➤ **Greater accountability on the part of education recipients:** Education has lost value over time as a result of being viewed as a free public good. It will be beneficial if education is privatized and the recipient pays all expenses. Bring out more accountability in them. Students may thus demand more effective and high-quality instruction.

➤ **Demand side pressure:** Since the government system must obtain money from tax payers, it is unable to handle the growth in enrolment. In this situation, the only way the educational system can expand in response to rising demand is through private provision.

### **Impact Of Privatization Of Higher Education In India:**

#### **A.Positive Impact:**

➤ **Easy access to higher education:** The expansion in the number of educational institutions that is, colleges and universities has made it simpler to obtain higher education. Once more, several communication channels have been built to enable teaching and learning activities to take place anytime and anywhere.

➤ **Shorten travel times between educational institutions:** The expansion of educational institutions in both urban and rural areas is a result of the privatization of higher education. Therefore, there is less of a distance between educational institutions and student housing.

➤ To deliver high-quality education: The private sector can also deliver higher education of greater calibre. Since there is a severe lack of funding for the government and grants for higher education have been drastically reduced while demand for higher education is rising, privatizing education is the only practical solution. Therefore, this is the main cause of it.

➤ Enrol in any course, regardless of merit: Privatization not only increases the number of higher education institutions, it also enables students to enrol in any courses, regardless of their academic standing. Therefore, administration is made based on their financial capacity rather than intellectual aptitude. This is the current situation in the majority of private educational institutions in Indian society.

➤ Government interference-free: The private sector is essentially immune to government interference. Unaided professional institutes are autonomous in their management and decision-making, according to the Honourable Supreme Court. However, they must adhere to the requirements announced by governing bodies for admission, examination, staff recruitment, etc.

➤ Better employment: Privatizing higher education opens up job prospects for recent graduates, post-graduates, researchers, and trainees in a variety of professions. A benefit of the privatization of higher education in India is the creation of employment and income prospects for educated individuals.

#### **B. Negative Impact:**

➤ High Cost of Education: Privatization inevitably raises the price of education in higher education. In order to boost its revenue, the authority levies several fees. The fixed capacities of the lower and medium income groups cannot handle this predicament.

➤ Poor Faculty: Despite the privatization of higher education's stated goal of improving quality, this goal has not been achieved. In most educational institutions, there is a quality tradeoffs. Their employees are under qualified and offer services for less money. These institutions generate a considerable amount of profit by employing such personnel, but they do not compensate by offering higher-quality education.

➤ Inadequate infrastructure: The self-financed colleges' and universities' infrastructural facilities are insufficient and subpar. The majority of institutions lack separate structures, particularly for personnel and libraries, enough classrooms, technical equipment, etc. Additionally, many universities lack basic amenities like clean bathrooms, drinking water, and labs that are equipped, which has an impact on the learning atmosphere and other connected things.

➤ Private educational institutions do not offer better-quality education; nonetheless, they do require a lot more labour. It should be highlighted that under article 21, the right to life which includes the right to live in dignity and with improved quality directly follows the right to education. Therefore, the right to education is being violated by the quality compromise in private educational institutions.

➤ Exploitation: By compensating professors and teachers amounts that are in excess of those set by regulatory organizations like the UGC and other similar organizations, private institutions also take advantage of the teachers and professors. The efforts of professors and teachers may subsequently dwindle as a result, which could ultimately lead to a decline in educational standards.

➤ Discrepancy in access to higher education: In India, there are four types of discrepancy that are evident: gender disparity, geography disparity, minority-majority based disparity, and economic class-based disparity. the aforementioned inequities in access to higher education's commercialization.

➤ Focus on quantity: The private sector places more of an emphasis on quantity than quality. This is the cause of the decline in higher education quality. Although it is understandable that there are more private professional institutes now than there were before privatization, this has come at the expense of quality.

➤ Capitation fees: Capitation fees are a type of illicit transaction in which an educational institution charges a fee that is higher than what is permitted by legal standards. A capitation fee is the term used in Indian law to describe the collecting of funds by educational organizations

that are not listed in the institution's prospectus, typically in exchange for enrolment.

**Suggestions:** There are some ideas on how to get more people involved in higher education and how to benefit from the privatization of higher education so that they can actively contribute to the growth of their community and their nation.

- First and foremost, numerous policies and activities should be implemented to increase public awareness of higher education.
- Students who are pursuing higher education in private universities should receive financial assistance in the form of scholarships and educational loans.
- Most crucially, these private institutions' standards ought to rise. The reason being that these institutions are accountable for preparing students to participate in the global market and to successfully meet the difficulties, rather than being money-making machines.
- A appropriate price should be charged for the hostel facility as well. The government should make sure that these private organizations offer low-cost housing to the disadvantaged.
- The role of NGOs should be vital in offering the government insightful proposals for enhancing the educational system.
- NGOs can assist by raising their understanding of the modern world's shifting requirements and desires.
- Regulating organizations ought to evaluate and accredit these institutions. These organizations are able to monitor these institutions.
- Private institutions should be encouraged to conduct research, and the government should provide funding for this.
- The calibre of education offered by these institutions must to be guaranteed.
- The government needs to crack down hard on fraud organizations.
- The girls should be placed in a safe setting.
- Despite the introduction of the novel idea of a public-private partnership, private institutions cannot shirk their obligations.

**Conclusion:** In emerging nations like India, the privatization of higher education is a current, delicate issue of great importance. The need for higher education institutions and the rapidly expanding population are the key factors driving the trend toward privatization, which has resulted in the construction of private institutions because it is impractical for the government to establish so many institutions. Although privatization is not viewed negatively in any industry if it results in high-quality products, it has recently become apparent that those who privatize higher education are less concerned with the quality of their product than with making a lot of money. The poor pupils cannot afford these universities. The disadvantage of a quality education is that pupils were admitted only on the basis of their resourcefulness and wealth rather than their academic performance or IQ. We can therefore draw the conclusion that there is a need to raise youth awareness of higher education, and that governmental and non-governmental organizations should show interest and draw attention to the excellent level of education offered by these institutions. Whether or not these schools are turning out students with marketable talents, they should raise the bar in education since they are shaping the future of our nation. Students with inadequate backgrounds cannot survive in today's competitive and rapidly expanding world.

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