

Privatization of Higher Education: Some Facts, Concerns and Suggestions

Shri Pawan Tirvedi, Principal

Janta Inter College Sarngpur Bulandshahar U.P. India.

Education is an important index of human development doctrines. Among various levels of education, higher education has a pervasive and influential impact on development. Higher education empowers the individual with necessary skills and competence for achieving important personal and social goals and thereby contributing to the social development. It is widely believed that the state of higher education in a country is an index of its future well-being. Higher education is indeed a vital tool for intellectual, cultural and aesthetic development and a means for achieving wider social aspirations. It also has an increasingly crucial role to play in producing change agents for moving the country along the development continuum. In recent times, the magnitude and pace of changes taking place the world over in economic, political, technological and social environments have obviated the need for changes and improvements in the system of higher education.

Also, the phenomena of liberalization and globalization of the Indian economy coupled with revolution in information technology have brought new challenges to higher education. The responsibility of institutions of higher education in the context of the changing scenario is not only confined to imparting education but also to forecast the future needs of economy.

Present Scenario of Higher Education

Education scenario in India is fast changing its face. Various published documents, official, institutional or otherwise, words and utterances of ministers, bureaucrats, media-print or electronic, even private or public exchange of views, all these seem to vent to an idea, an outlook, a view on education that education is one that helps students earn their livelihood, as well as to secure lucrative jobs of their choice. They also seem to assert that higher education must be meant for those who can afford it and thus can get the highly paid jobs of their choice. The other argument revolves round financing of such kind of higher education.

In developing countries like ours government is finding itself incapable to bear the responsibility of higher education as it is already facing acute dearth of resources. Universities and colleges are starved of funds as the support of Government is being reduced and grants are not being provided in time causing hardship to them. It was reported in the Tribune (August 8, 1993) that higher education in Gujarat appears

to be in the doldrums with all the universities in the state facing a precarious financial situation which will force them, to heavily borrow funds if these are unable to generate their own resources. It is not only Gujarat that is facing the problem. The entire infrastructure of higher education in colleges and universities is thrown in doldrums. A number of positions or posts in universities and colleges are not being filled up, libraries do not have enough funds to purchase new books, and laboratory activities came to a halt. Many universities have cut down or stopped purchasing of standard journals, scrapped their research programmes and withdrawn numerous student facilities. Teaching-learning environment in the universities. Teaching – learning environment in the universities is deteriorating fast. In their frantic attempt to look for funds and resources, some universities like Calcutta university went to the extent of selling its buildings and other properties and leasing them for funds to the business and commercial houses. Most of the universities are facing these days, acute financial crunch.

J.L. Azad in his article, 'Educational Finance in India: progress, problems and perspectives' has rightly summed up the present scenario. To quote him, "In spite of exhortations, repeated ad nauseam about the role of education in accelerating economic development and social change, education sector along with other social services sectors, continue to be regarded as

residual sector and gets a backseat in the allotment of resources. The allocation for education steadily came down from 7.6% in the first five year plan to a meager 1.3% lately in eight plans. Through a circular issued on November 14, 1996, Prof. A.S. Desai, the then Chairperson of UGC notified the Vice Chancellors of all the universities of the country that, in accordance with the direction of the union HRD Ministry the grants for higher education during the 9th plan will never exceed 35% of that during 8th plan period. In April 98, in a curt letter to Delhi University and the affiliated college, UGC informed that it would be cut down 20% of the grants further. It advised the college authorities to economies by 10% the same treatment has been given to all the universities and aided colleges in the country.

Government Policies and Recommendations of Various Committees

However, the solution of this problem has been given by the Central Government itself. National Policy of Education 1986 has brought about a radical change in the policy of funding the higher education and encouraged the proliferation of purely profit oriented institutions as a viable and recognized system of higher education. This opened the floodgate for privatization and commercialization of education as a whole. The NPE said, resources to the extent possible, will be raised by mobilizing donations, raising fees at the higher levels of education and affecting some savings by the efficient use of facilities. All these measures will be taken not only to reduce the burden on state resources but also for creating a greater sense of responsibility within the educational system”.

Following this directive, the Central Government as well as different state governments, all without any exception tried to modify the field of education in accordance with the trend of privatization commercialization. In order to implement this, policy, Justice Punnayya Committee (92-93) on UGC funding submitted a report in 1993 and in tune with its recommendation; UGC, in 1995, issued a directive to all the universities that the

funds allocated for education in general and higher education in particular will be subjected to the broad parameters of economic reforms and market liberalization. The distortions on allocating resources for higher education should play a major role in the adjustment mechanism by linking technology of the country with the international market forces. (Art. 5. 21, Policy frame and programmed of UGC)

In this regard the stand of government is explicit. “Resources to the extent possible will be raised by mobilizing donations, asking the beneficiary communities to maintain the school building and supplies of some consumables; raising fees at the higher level of education (NPE 86 Art. 11.2) and universities may mobilize such external resources through participation, contribution from Indians of NRIs industrial business houses (UGC Guidelines, May 23, 1995). Mahmoodarchman Committee constituted by UGC and Aanand Krishnan Committee constituted to review the fee structure in Delhi University all have made recommendations which indicate that the total financial burden of higher education would have to be borne by parents and the private sector would enter the field of higher education. The Prime Minister’s Council on Trade and Industry (PMCTI) constituted a ‘special subject group on policy framework for private investment in education, health and rural development, under the convenorship of noted industrialists Mukesh Ambani and Kumarmangalam Birla. Obviously, the industrialists, they were among the best interested people to suggest implementation of the World Bank prescriptions. (That higher education non-merit good) and privatization and commercialization of higher education in the country. Ambani and Birla submitted their reports. A policy framework for reforms in Education to the PMCTI on April 24, 2000 and recommended that governments must encourage private financing by taking on some of the risks that makes financial institutions reluctant to lend for higher education. Enactment of a private university Act for the establishment of “new private management, economics” financial management and other critical areas with commercial application has also been recommended. The report advises the

government the leading business houses (Ambani and Birla) must be encouraged to establish institutes and universities.

In order to fight out the crises of financial crunch the central the central government has decided to establish private universities. A bill concerning establishment and regulation of private universities has been passed in parliament in 1995 and made an Act. The bill says that any sponsoring body (i.e. financial group) may apply to the central government through UGC for the permission to establish such a private university against a deposit of Rs. 10 crore or more as endowment fund.

The Bill describes that the chancellors and vice chancellors of these universities as officers (not educationists). The Chancellor will be appointed by the financing body and Vice Chancellor by the Chancellor from a panel of five names to be prepared by the Board of Governors. The Board of Governors which will be the highest policy making and decision making body of the university shall consist of eight members viz. the Chancellor, Vice Chancellor, nominee of Central Government, one nominee of state government, nominee of UGC and three nominees of the sponsoring body. Hence the major control of the sponsoring body. Hence the major control of the private university will be in the hands of the sponsoring group.

It is feared that there will be no academic freedom in these universities. These will work just like an industry for deriving profits as financing institutions will not invest crores of rupees for the sake of charity or only for advancement of learning and education devoid of any financial interest. No where in the act it is mentioned that the academic consideration will be in considerations for seeking admission in these universities and institutions. Therefore, money along will be the consideration of admission here. The university authorities will be at liberty to raised funds in any way they wish including high tuition fees, capitation fee and donations. They might go for closure or winding up of the university at any time they wish and then UGC will take over it and run for only the following three years with the security deposit. If at the time of closure some of students studying in current session fail to

appear in the examination or complete their courses due to any reason their money invested in the course will go astray and future will be uncertain. It sounds as if these universities will work like factories which can be closed down due to the back of profit without caring about the future of students studying in these institutions or universities.

The phenomena of self-financing or privatization of higher education has given rise to many reactions from different sides. Mehta (1973) is of the opinion that complete marketisation of higher education would go against the constitutional obligation of providing equal opportunities of education to all at different levels. He says that of course, primary education has to get greater attention of the state since it enables people to live with dignity. But higher education is no less important since, if given equal opportunities, it not only raises productivity and income but also facilitate inter-cast mobility thus reducing inequalities in income and wealth it acts as 'social life agent (UNDP 1990). Leaving educational decisions on the market forces would result in increased inequalities in the distribution of human capital and therefore, in the distribution of income. In that case, only the more advanced setions of the population who have better information, better access to resources and more capital to bear risk, will be able to derive the benefits from educational opportunities generated by the market forces.

Kaul (1993) is against the privatization of higher education. She is of the opinion that it will perpetuate inequalities in the system. Economic inequalities accentuate the inequalities in access to higher education which in turn contributes to the inequalities to occupational achievements, in earnings and in social economic sphere as whole. Higher education, the Public or the Quasi Public Good will turn out to be a luxury good, and middle and even upper middle income classes may not afford it. It will become a monopoly of the rich. The private universities and institutions will not merely cover their cost, but also make huge 'quick profits' which are not necessarily reinvested in education.

An equally important consequence of the growth of private higher education is massive

erosion in the quality and standards of higher education. Kaul reports that only one third of the students feel those facilities and also the faculty in these institutions were of poor quality.

Walford and Kaul (1990) find that privatization at higher level contributes to persistence of socio economic inequalities in the society, providing elitist bias in education. Private institutions are profit oriented, with little consideration for national manpower needs, which may cause serious imbalance in the manpower in the economy.

Tilak (1991) is of the opinion that complete marketisation and privatization of school and higher education can not be an acceptable policy. The authors of the paper have firm belief that the privatization of higher education will ultimately lead to commercialization as the financial bodies or industrialists whoever will invest in high education would invest with a profit motive and not with a motive of social development or advancement in education. But it is also a fact that in future the privatization of higher educational can not be checked as is revealed by the continuous withdrawal of financial support from the already established and even the internationally reputed universities and the establishment of the self financing universities such as Handicapped Welfare University (established by Maharshi Yogi Foundation in unknown). It reveals the attempt of privatization and commercialization of higher level education as a general policy of privatization in accordance with WTO

Suggestions for Effective Privatization: At present the privatization of higher level education and especially in the field of professional and technical education like Medical, Engineering, Information Technology, Computer Education, Management Education, Teacher Education etc. has already commenced. In this era of liberalization and globalization it will neither be appropriate nor practical to check it. But rational through on provisions for starting higher level learning institutions in the private sector may give better results. A few suggestions in this regard are being given as follows :

1. Privately run universities and institutions should be given recognition by the concerned regulating bodies such as UGC, AICTE, NCTE and like strictly on the basis of norms laid down by these bodies to ensure the quality and standards of education in them.
2. The Government should exercise some control over the standards of these private institutions through a policy of accreditation.
3. Educational decisions should not be left on the market forces since it may result in increased inequality in the distribution of human capital and therefore, in the distribution of income. To overcome this problem a three tier system of fee structure should be adopted viz. –
 - i. Full recovery of the cost of education from those who are in the position to pay – i.e. the elites;
 - ii. Facilities of loan to meritorious that can not pay for their education. The loans should be provided at lower rate of interest through public sector loans schemes. Mr. Yashwant Sinha is of view that no deserving student in the country should be deprived of higher and technical education for want of finance.
 - iii. Provisions of financial incentives like free education and subsidization of private cost on education for the deprived or financially weaker but meritorious students would have to be made.
4. The merit should be the only consideration for admission and not the money.
5. Selection of faculty in these private institutions should be based on academic qualification and merit.
6. Teacher student ratio should be prescribed.
7. The manpower planning at this stage should be done. The manpower required in future in every field must be assessed well in advance so that a balance could be maintained between demand and supply. This can be done by providing educational and vocational guidance to the students and to plan higher and professional education according to the need of our country. The educationists, teacher planners, social service organizations as well as concerned experts in the committees appointed for

policy decision making should be made aware of this fact.

8. In fact, the most important thing which is ailing education is not too little involvement of our government but exactly the opposite. The License Permit-Quota (LPQ) Raj that shifted our industry is suffocating the education system. Regulations on the entry, exit and expansion

educational institutions are far more pervasive than they were on industry. People with contacts and money do beat the hurdles, but not dedicated individuals and association of simple means, so the license permit must be made available to the dedicated individuals and associations of lesser means.

Bibliography

1. Chatterjee, Swapan, (Ed.) (1996). Students' Pledge, Calcutta All India DSO, 48. Goel Aruna. (2001) 'Financial Support of UGC for Educational Programmes', University News, Vol 39, No. 23
2. Kaul, Rekha. (1993) 'Caste, Class and Education : Politice of the Capitation Fees Phenomenon in Karnataka, 'New Delhi: Sage. Also in Journal of Educational Planning and Administration, Vol. VII, No. 2
3. Kumar A (2001). 'Self-Financed Educational Programme in University System,' in NB za and K oshi (Eds). Higher Education, Issued and options, Jaipur: Mangal Deep Publication.
4. Mathew, E.T. (1993). 'Financing Higher Education : Sources and user of Funds of private Colleges in Kerala', New Delhi : Concept also in journal of Educational Planning and Administration Vol. VII No. 2, 1993
5. Mehta, B.C. (1993). 'Financing of Higher Education: Journal of Educational Planning and Administration, Vol. VII No. 1, anuary 1993.
6. Punnayya, Justice K. Committee. (1994). 'U.G.C. Funding of Institutions 'of Higher Education' (Report) New Delhi : University Grant Commission, also in journal of Educational Planning and Administration Vol. IX, No. 2
7. Chatterjee, Swapan, (Ed) (1997). Students' Pledge, Calcutta All India DSO, 48
8. Chidambaram R.M. and K. Alamelu, (2001). Educational Lonas An Education', University News, Vol 39 No. 5
9. Roy Dipankar (ed). (1999). Resist Commercialization and Communalization of Education, Calcutta; All India Save Education Committee.
10. Roy Dipankar (ed). (2000). Resist Commoditization and Communalization of Education, Thwart the Impending Catastrophe, 'Calcutta : All India Save Education Committee.
11. Sharma, Vijendra, (2002). 'Reject Ambani-Birla Report on Education, 'Weekly organ of the Communist Party of India Marxist Vol. XXV No. 12
12. Tilka, J.B.G. (1999). 'Privatization of Higher Education', Prospects, Vol. 21, No. 2, 1999.
13. Walford, jJeoffrey. (1990). 'Privatization and Privilege in Education, "London: Routledge, also in Journal of Educational Planning and Administration Vol. VII o. 2, 1993