

## India Education Economy

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Private higher education is one of the most dynamic and fastest-growing segments of post-secondary education at the turn of the 21st century. A combination of unprecedented demand for access to higher education and the inability or unwillingness of governments to provide the necessary support has brought private higher education to the forefront. Private institutions, with a long history in many countries, are expanding in scope and number, and are increasingly important in parts of the world that have relied on the public sector. A related phenomenon is the “privatization” of public institutions in some countries. With tuition and other charges rising, public and private institutions look more and more similar.

Private higher education is the fastest-growing sector in India. For the most part, this unprecedented growth in the private sector stems from an inability of the government to fund expansion.

Higher education in India is gasping for breath, at a time when India is aiming to be an important player in the emerging knowledge economy. With about 300 universities and deemed Universities, over 15,000 colleges and hundreds of national and regional research institutes, Indian higher education and research sector is the third largest in the world, in terms of the number of students it caters to. However, not a single Indian university finds even a mention in a recent international ranking of the top 200 universities of the world, except an IIT ranked at 41, whereas there were three universities each from China, Hong Kong and South Korea and one from Taiwan.

On the other hand, it is also true that there is no company or institute in the world that has not benefited by graduates, post-graduates or Ph.D.'s from India. This is not to suggest that we should pat our backs for the achievements of our students abroad, but to point out that Indian higher educational institutions have not been able to achieve the same status for themselves as their students seem to achieve elsewhere with their education from here.

The experience over the last few decades has clearly shown that unlike school education, privatization has not led to any major improvements in the standards of higher education and professional education. In higher education and professional courses, relatively better-quality teaching and infrastructure has been available only in government colleges and universities, while private institutions of higher education in India capitalized on fashionable courses with minimum infrastructure.

The last decade has witnessed many sweeping changes in higher and professional education: For example, thousands of private college and institutions offering professional courses, especially engineering courses, appeared all across the country by the late 1990s and disappeared in less than a decade, with devastating consequences for the students and teachers who depended on them for their careers. This situation is now repeating itself in management, biotechnology, bioinformatics and other emerging areas. No one asked any questions about opening or closing such institutions, or bothered about whether there were qualified teachers at all, much less worry about teacher-student ratio, floor area ratio, class rooms, labs, libraries etc. all these regulations that existed at one time have now been deregulated or softened under the self-financing scheme of higher and professional education adopted by the UGC.

It is not that the other well-established departments and courses in government funded colleges and universities are doing any better. Decades of government neglect, poor funding, frequent ban on faculty recruitment and promotions, reduction in library budgets, lack of investments in modernization leading to obsolescence of equipment and infrastructure, and the tendency to start new universities on political grounds with consolidating the existing ones today threatens the entire higher education system.

The economics of imparting higher education are such that, barring a few courses in arts and humanities, imparting quality education in science, technology, engineering, medicine etc. requires huge investments in infrastructure, all of which cannot be recovered through student fees, as high fees will make higher education inaccessible to a large section of students. Unlike many better-known private educational institutions in Western countries that operate in the charity mode with tuition waivers and fellowships (which is one reason why our students go there), most private colleges and universities in India are pursuing a profit motive. This is the basic reason for charging huge tuition fees, apart from forced donations, capitation fees and other charges. Despite huge public discontent, media interventions and many court cases, the governments have not been able to regulate the fee structure and donations in these institutions.

It is not only students but also teachers who are at the receiving end of the ongoing transformation in higher education. The nation today witnesses the declining popularity of teaching as a profession, not only among the students that we produce, but also among parents, scientists, society and the government. The teaching profession today attracts only those who have missed all other “better” opportunities in life, and is increasingly mired in bureaucratic controls and anti-education concepts such as “hours” of teaching “load”, “paid-by-the-hour”, “contractual” teachers etc. With privatization reducing education to a commodity, teachers are reduced to tutors and teaching is reduced to coaching. The

consumerist boom and the growing salary differentials between teachers and other professionals and the value systems of the emerging free market economy have made teaching one of the least attractive professions that demands more work for less pay. Yet, the society expects teachers not only to be inspired but also to do an inspiring job!

Yet another worrisome trend in higher education and research is the emerging government policy of according deemed university status to national labs and research institutes, so that these institutes can award their own PH.D. degrees, without having to affiliate themselves to a university or fulfilling any other role of being a university.

Traditionally, colleges and universities have been non-profit institutions, operation under legal authority from the State to provide education and engage in research and other education- related activities. These institutions have been owned by non-profit agencies, such as religious organizations, educational societies, and others that have legal authority to own and manage them. For the most part, these arrangements do not permit the institutions to earn a profit, while they are guaranteed a high level of autonomy. In some cases, the university is “owned” by a sponsoring organization, in others by the academic staff and administrators, and in still others by boards or trustees or governors that may be partly composed of academics or dominated by outsiders.

The trend toward privatization has also created serious problems concerning equity in higher education. While the government is to a great extent able to ensure that protective discrimination policies are followed in government colleges and private aided colleges, resistance to such policies is much higher in the case of self-financing institutions. While the overall elasticity of demand may not be high, such elasticity may certainly be high for the economically weaker sections. In other words, under privatization even if the size of total enrollment does not change, the composition might change in favour of the better-off sections of society.

The government’s inability to control the quality of education in private colleges is also being increasingly felt. The first choice of parents and students in general is the government colleges, and when they fail in that endeavour they seek admission in private colleges, where admissions criteria are relaxed for those who can pay the high fees. Unfortunately, even strong proponents of private higher education call for government to take responsibility for regulating quality in the system. But given social, political, and economic factors, the government seems to feel severely handicapped in regulating quality in private institutions. Generally, once recognition is granted to a private institution, which is not a very difficult process, the government is unable to enforce any of its conditions. This is true to some extent even in the case of state- aided private colleges. State grants are

rarely delayed for any reason. Massive erosion of quality in private colleges might lower the overall quality of higher education.

In the whole process of privatization, universities might well become more and more efficient, but the important question is: “efficient to do what?” they become financially efficient, generating more and more resources, but in the process lose sight of their main academic goals and objective. Activities hitherto peripheral to universities tend to become the dominant ones. Universities tend to undertake increasingly more commercial and quasi-commercial activities- such as consultancy, sale of physical products and services, publication of books, training, and so on. Herein lies the great danger of privatization and to the very development of higher education in India.