

PRIVATIZATION OF HIGHER EDUCATION IN RAJASTHAN: THE QUESTION OF EQUITY AND OPPORTUNITY

PRIYANKA

Jawaharlal Nehru University, New Delhi, India

ABSTRACT

In order to achieve a rapidly growing and sustainable economy, a highly qualitative and competitive pool of human resource is indispensable. Human resource is created through education and within education it is higher education sector that enable one individual or a group of individuals with skills and other desired abilities which will support them to enter and actively participate in productive sectors and it will generate more and more economic activities. Thus higher education creates specialization of skills within its beneficiaries which in turn leads to HRD. Importance of human resource development in growth and development of any economy is widely recognized. Human capital contributes to growth in diverse ways particularly through direct absorption to the economy. If higher education is so important in the development and growth of a country through HRD, then the question of its funding comes. There are different arguments on the financing of higher education. According to some scholars the interest of the large sections of the society can be better taken care of when it is provided by the government itself. While other scholars emphasizes on allowing the private education providers in the field of higher education as it is not possible for the governments to spend high amount on higher education. The insufficient government funding to higher education has created excess demand problem in the market of higher education, which can be filled by private providers only. But we can find some empirical evidence from different states where the supply of higher education has been opened for private players. Rajasthan is one of the states in India, which opened its door for privatization of higher education sector very late. Even the late entries of private institutions have brought series of imbalances in the education system of Rajasthan. The growth of private colleges can be imagined by the fact that there was 1238 per cent increase in their number within the period of 2001-07. The increase in the number has come with regional imbalances; compromise with quality assurances and, the equity and opportunity. The paper tries to focus on the effects of privatization of higher education in Rajasthan.

KEYWORDS: Privatization, Higher Education, Equity, HRD, Rajasthan

INTRODUCTION

The human capital model in theories of economic development shows that a rise in the level of education brings the more efficiency of all factors of production. Educated people use capital more efficiently; they think innovative forms of production embrace change and quickly acquire the new skill (Endogenous Growth Theory). The education also plays the role of screening device as it signals the potential of efficiency and suitability. Education plays one more important role i.e. awakening the masses. This can be in the form of creating awareness about their rights, oppressions, exploitations etc. This process of awakening in some sense is nation building (Patnaik 2009). The process of receiving education and providing education both has faced a significant change during the course of time. Now modern education is provided by

such institutions where we have different teachers with different specializations. Therefore, the role of institutes of higher learning becomes important in human capital formation.

The institutes of higher learning are the best and sole source of human capital formation provided that they are modern and rational. The role of institutes of higher learning are not only limited to increasing the efficiency of its receiver, but more than that. They develop rationality among the students and help in the creation of social asset. The social asset is not just limited to becoming doctors, engineers, professors etc, but a conducive factor for social change. Mohan (2004) argued that the institutes of higher learning are a major source for creation and training of elite, as all bureaucrats and upper middle class professionals emerged after receiving education. This professional class is consisted of business executives and managers, teachers, judges, lawyers, doctors and engineers. As per the new trend, even industrialists prefer to send their children to the universities. Even the number of highly educated ministers has been on rise. As the role of educated people is increasing in every sphere of life, socialization of this has become necessary to make it responsible to the society. This socialization of the people can be better done if we have responsible and accountable institutes of higher learning. So the role of institutes of higher learning becomes of utmost important. That is why it becomes necessary for the researchers to find out in which governance these institutions will better flourish while keeping their human face intact. The first three sections of the chapter discuss the theoretical issues related to higher education. The first section mainly focuses on the debate whether higher education is public good or private good. The second section discusses why institutes of higher learning should be state funded. The third section focuses on the importance of private institutions. The section four discusses the scenario of higher education in Rajasthan. The last section five discusses the conclusions.

HIGHER EDUCATION A PUBLIC GOOD OR PRIVATE GOOD

As the higher education is very important in the development of a society it has always been a controversial issue that whether the state or the private entrepreneurs should provide it. This issue further begets the controversy of whether the higher education should be considered as public good or private good or merit good. Some academicians opine that higher education cannot be a private good as it generates positive externalities, so it is a public good. But at the same time the principle of non-excludability and non-rivalry is not applicable on such goods for instance, a seat in a medical college deprive someone to avail it, therefore it is rivalrous. And at the same time an arts stream student is not allowed to take medical exam, so it is excludable too. In this way higher education cannot be considered as public as well as private good. Further higher education cannot be considered as merit good also as it provides positional value. However, it can be considered as mixed or quasi-public good, i.e., essentially a private good with positive externalities.

WHY INSTITUTES OF HIGHER LEARNING SHOULD BE STATE FUNDED

If higher education is the mixed good then the question of its funding comes. There are different arguments on the financing of higher education. According to some scholars the interest of the large sections of the society can be better taken care of when it is provided by the government itself. While other scholars emphasizes on allowing the private education providers in the field of higher education as it is not possible for the governments to spend high amount on higher education. The insufficient government funding to higher education has created excess demand problem in the market of higher education, which can be filled by private providers only. The notable views of eminent scholars have been discussed below.

The higher education must be largely state funded yet some space could be given for charities, philanthropic initiatives, bequests and such like for starting institutions for higher education as they can easily get dovetailed into the state

funded system. But the same cannot be said of private educational institutions run on commercial lines, which necessarily have to treat education as a saleable commodity. Treating higher education as a commodity necessarily comes in the way of its nation building task as it precludes affirmative action in matters of admissions and recruitment which is important for an egalitarian education system (Patnaik 2009).

The privatization not only excludes a large section but also reduce education to a commodity, teachers to tutors and teaching to coaching. Raghuram (2009) says that except few courses in arts and humanities, imparting quality education in science, technology, engineering, medicine etc. requires huge investment in infrastructure, all of which cannot be recovered through student fees. If fee is not allowed to hike it can result in forced donations, capitation fees and other charges, and ultimately the poor people will suffer. If the education providers succeed in recovering all their cost and hidden profit, this will be somehow like selling the education in market like any other commodity.

Marketization is synonymous with commoditification and the more we treat education as any other consumption good like chocolate, we rob education of its vital role in building up of a democratic, humane and inclusive society. The market for education cannot be compared with the market of any other commodity, as the former is very hierarchical (Chattopadhyay 2009). If we look at the view point of Indian constitution about education, it clearly says that even the private institution must not be profit making. That is why most of the institutions of higher learning in India are traditionally government funded. But this government funded Indian higher education system is facing many criticisms, among the criticisms the most prominent is of its being inefficient.

Vaidyanathan (2007) puts light on the reasons for Indian higher education system becoming inefficient. He blames the decline in the involvement of the elite in public education system due to allowing privatization in higher education. As the involvement of elite declines they take less interest in reforming public higher education system. They are far more interested in influencing the government policy to expand higher and professional education facilities and on conditions of access to such education.

If the government funded institutions are not working according to our expectation, can we get any solution in privatizing the higher education? The Yashpal Committee Report (2009) puts some light on this issue by saying that the fears and apprehensions of the scholars about higher education if it is not funded by the state have become a reality now. The Yashpal Committee Report notes that most private institutions, instead of helping rejuvenation of higher education have become commercial entities with very low quality. The report admits that the reduction in public funding and demand factor have propelled the growth of private colleges, private deemed and private universities in recent years. The trusts managing these institutions have little understanding and experience in education. The trusts and societies that were formed largely consisted of immediate family members. They controlled admission, collected capitation and other fees and appointed teachers on low remuneration. Privatization benefited few who could afford to pay fees. Besides, private investment led to unbalanced growth limited to few states, programmes and disciplines. As the regulatory agencies failed to supervise their intake capacity, faculty quality, academic infrastructure, laboratories, privatization has put a serious blow to the credibility of the Indian university degree.

Thorat (2004) said that the Indian public education system, which is termed as inefficient system by many scholars, has provided an opportunity to large section of socially backward class. So it is this public education system, which is the strength of democratization of education in this country. The private education is inbuilt with some non democratic

functioning through backdoor. By increasing the price of education, it is making education accessible to the selected few. He later emphasized on the role of public education by saying that it has provided access to all sections in the country. However, the increasing privatization of education without proper provision to poorer section has brought high level of inequality in access to education.

IMPORTANCE OF PRIVATE INSTITUTIONS

Though the state funded educational institutions are pivotal in bringing equality and access of higher education to the socially backward classes. But in the current scenario stopping privatization of higher education is impossible for the government. Private educational institutions are also providing the solution to the crunch of fund with the government. They are the main source of job-oriented courses. These institutions are very popular among the middle class families as they are interested in pursuing only those courses and training programmes that can get them to lucrative and quick jobs. There are some notable views of some scholars for privatization.

The privatization of the education in a country is not just related to the policies of the state toward education but related to the global proceedings also. The ideological reasons did not permit the Indian government to allow privatization in the initial stage and the admission in all the government institution was based on the merit of the students, but the people from rich classes whose children could not get the chance to get a seat, started going abroad for taking the same education. Such cases were more prevalent in professional courses like medical and engineering, later on management courses. Kapur and Mehta (2004) says about this situation that not allowing private entrepreneur in the higher education system has created a surreal situation in Indian education system i.e. we are allowing our students to take private higher education abroad but they are not allowed to take higher education in their own country. This situation has resulted in huge wastage and transfer of money to developed countries, which a poor country like India can't afford.

The need of the privatization of higher education does not simply arise due to the wastes of our resources on same education abroad but due to continuous increasing fiscal burden on the government and increasing demand to expand the number of educational institutions in the country. Levi (2008) draws the attention towards the importance of private education in providing stark solution to the dilemma of how to keep expanding access while not expanding public budgets. By pulling some students into the privately funded private sector allows public institutions to open additional spaces for other students. The important point about private institutions is that they enroll students who would not otherwise be in higher education and would not be covered through public funds.

The demand of increase in the number of higher educational institutions took a sudden height after the policies of liberalization and globalization were adopted by the Indian government. Vaidyanathan (2007) commented on the increasing number of private institutions by saying that the process of internal and external liberalization has increased the demand of trained professionals. Due to explosive growth of IT and related sectors, financial services, etc, there has been unprecedented increase in both the job opportunities and salaries for professionals as well as for the better performing graduates from the general stream. The resulting surge of demand of trained professionals could not be met by the public system, which had neither the resources, nor the capacity and flexibility to provide the kind and quality training that was in demand. Public expenditure on higher education has no doubt increased manifold. But the increase has proved insufficient to meet the growing demand for education at all levels both in quantity and quality as much of the increased expenditure has gone to meet increased salaries of teachers, other staff and of the education bureaucracy.

It is well-understood fact that private institutions are not paralyzed by the bureaucratic attitude of its employees as their government counterparts are, and they have the edge of cost efficiency too. Stella (2008) argues that the private education providers have demonstrated that they can be innovative partners to governments. With the experience of ineffective public enterprises in many sectors, private participation is viewed as a strategy to facilitate competitive efficiency. According to public perception, private education is more efficient. There is a general support to the view that the private sector education provides better quality at all levels of education. The private providers are able to provide better quality at a proportionately lower cost, since they are not handicapped by slow moving bureaucratic machinery. Private institutions tend to network more efficiently and innovatively with the national and international organizations. In any survey of ranking of higher education institutions, the percentage of private institutions that come up to the top few percentages are usually higher than the overall ratio of private versus government institutions.

Commenting on the present scenario of state of private institutions of higher education, Agarwal (2007), says that private higher education has definitely helped to build capacity, particularly in professional fields. Private institutions, driven by the market forces, are often more efficient than their public counterpart and even provide essential infrastructure facilities that are in many cases superior to those available in the public universities and colleges because they are purposely built for professional programmes rather than existing facilities simply repurposed for new programmes. Aggarwal further accepted that there is also large number of private institutions lacking even the minimum infrastructure and facilities that cut corners in everything, compromising the overall quality and reputation of higher education in search for profits. But regulations would help to minimize the later category of providers.

In a nutshell higher education has a large effect on the socialization of people. According to some scholars the interest of the large sections of the society can be better taken care of when it is provided by government itself. However there are some scholars who argue that even the private education system can fill the mismatch of demand and supply if managed or regulated properly. But in the recent period we notice emphasis on privatization of higher education. This new private education system needs to be examined as it is going to have long-term effect on the economic development of our country. This new system may not be easily studied at the pan India level. So as a stepping-stone I have chosen one state for this purpose, which has also noticed privatization of higher education in the last 7 years. It doesn't mean that the study of Rajasthan would work as the representative study of the country as a whole but surely it would provide some insight of this new system, which was not widely existent earlier. Though there have been many macro level studies on the issues related to higher education and privatization of education. But to the best of my knowledge, no comprehensive detailed study have been undertaken on this recent trend of privatization in Rajasthan with the help of secondary as well as primary data.

THE SCENARIO OF HIGHER EDUCATION IN RAJASTHAN

During the pre-independence era educational institutes were run by the religious or social organizations. Though Rajasthan wasn't a preferred site in the British regime, for the developing educational institution may be due to its hot climatic reason. Mostly the institutions were developed in the hill areas or in the places of historical importance. At the time of independence, Rajasthan had 13 institutions of education at UG and PG level in 1947, out of which 8 were boys' colleges in the government sector and 5 other institutions were run by religious or social organizations. Although there existed one college each for engineering and medical education along with three teachers training college and one research institute at Udaipur but still professional and technical education was in its infancy stage. The condition of higher education was so

pathetic that the state had no university of its own to provide affiliation to the existing colleges at that time. They were affiliated to universities of other states like Calcutta, Allahbad and Agra universities. With the onset of independent Rajasthan, the first university named as 'Rajputana University' was established at Jaipur, which was later named as university of Rajasthan. But at the end of 1986-87 Rajasthan had 6 universities and 3 engineering colleges. And total number of colleges rose to 142.

Post Reform Period

The economic reform of 90's had tremendous impact on education in general and higher education in particular. On the one hand there had been change in the view of the government for higher education. The government had continuous mass cut in the expenditure on the higher education. The amount for scholarships were reduced, hiked in the fees, ban on the new recruitments. In addition to this government opted for privatization. There had been pressure on the central and state governments to open up the education sector. Universities and colleges started finding ways and means to keep pace with the global educational requirements. The state, which had very few universities and colleges, witnessed sudden increase in the number of universities and colleges after liberalization of the conditions for private colleges in 2001 and passing the bill of private universities in 2005. The idea of opening up the education field in Rajasthan was with a very noble objective. It was very progressive in the sense that it put very stringent condition for opening up colleges. It gives a lot of concessions for opening up colleges in the areas which never had any college. In addition to this to promote girls education it gives financial concessions for opening up a women college. This bill clearly mentions the number of rooms, staff, land size, room size etc. In addition to this, the bill clearly mentions the provisions of reservation for SC's and ST's, regarding co-curricular activities in the universities, hostel, library requirements, etc. The bill also imposes restriction of 30 per cent of women staff, which is very progressive step

Growth of Private Institutions

The state has noticed unprecedented increase in the number of private institutions after 2001. Up to the year 2001, Rajasthan had 10 government universities including technical and Sanskrit universities. After liberalizing the conditions for opening up private colleges affiliated to the government universities, there has been unprecedented growth in the number of colleges. We note down progression of number of colleges during seven years period starting with 2000, were 59 in 2000, 75 in 2001, 105 in 2002, 268 in 2003, 418 in 2004, 518 in 2005, 645 in 2006 and to 890 in 2007. It shows 1238 per cent increase in the number of colleges in just 7 years. After passing the Rajasthan private university act 2005, out of 19 proposals received for establishment of private universities, recommendation for 17 has been submitted to the government by expert committee. The government has issued letter of intent to 15 organizations for establishing private universities. It shows more than 100 per cent increase in the number of universities in Rajasthan.

Regional Imbalances

Important thing to mention is that around 90 per cent colleges are of arts stream only. And around 30 per cent colleges were opened in just 2 districts viz. Alwar and Jaipur. Which defeats the basic idea of providing education in the backward districts? It poses big question mark on the lop-sided education policy where we are just quantifying number of students only in the forward districts of Rajasthan.

The Alwar district, which had only 6 private colleges up to 2002, now (2007) has 68 colleges. In the same way Jaipur district which didn't have any private law college before 2001 now has 23 law colleges. And Jaipur district that had just 17 colleges before 2001 now has 139 colleges for general social science courses. It means Jaipur, which had 17 colleges before 2001 have 162 colleges in 2007. This number might have increased by 2009. The important issue that has been ignored during this period of privatization is compromise in the infrastructure facilities. It means there couldn't be any outdoor co-curricular activities in the colleges which is very important for the all round development of the students. The colleges established after 2001, rarely any of them have NCC and NSS. It means they are just generating bookish worm. This is very important factor especially when we are facing declining trend among the students for outdoor games.

Quality Measure

If we consider the NAAC accreditation as the criterion of quality of the colleges, though it is not very satisfactory due to its bureaucratic nature, the whole scenario poses a sorry picture. 731 private unaided colleges were opened after 2001 out of which only one college is accredited by NAAC. Otherwise other colleges even didn't get 'c' grade, which is the lowest in the measurement. The important thing is that most of the government colleges were well accredited by NAAC. The private colleges, which were accredited by NAAC, were all established before 2001.

If we have a look at the student teacher ratio in 1999-2000, it was 26:1 which increased to 28:1 in 2004-05. A look at incremental teacher student ratio will give a real picture of change as we have got increased in the number of students mainly from private colleges. The incremental teacher student ratio is 44:1, which put a big question on the trends of our quality of higher education due to privatization. This is in spite of the fact that on the one hand there are large number of 'fictitious teachers' and on the other many non-regularized (part-time) under qualified teachers are working in such private colleges.

Equity and Opportunity

If we look at the access to higher education for scheduled castes and scheduled tribes in higher education in Rajasthan, it had already been in a pathetic situation even in the government institutions. A close look at the enrollment in Ph.D course in the state universities shows that the enrollment of SC's and ST's are just 7.5 and 3.97 per cent as against their population share of 17.2 and 12.5 per cent respectively. The mere fact of enrollment status can give us the idea of completed Ph.D's. Now the question arises what will happen in the case of private universities and colleges which are generally averse to affirmative action and reservation policy and even if they are not so, some eligible students of all the communities will not be able to get access to this education due to their high fee structure.

One more important aspect of higher education is that SC's and ST's students are mainly in the traditional arts stream courses. But if we look at the professional and vocational courses like commerce, engineering and medical, the SC community's representations are just 3.5, 5.4 and 5.8 per cent respectively and the share of ST's in the same streams are 3.8, 0.2 and 0.2 per cent respectively. It shows that higher education is not accessible for these categories even with the provision of reservation then what will happen when we think of a system without affirmative action. We cannot examine the same thing for private educational institutions due to unavailability of the same category wise enrollment data. In this way the question of equity and opportunity is under serious question mark.

CONCLUSIONS

In this way after liberalizing the conditions for opening up colleges and passing the private universities act 2005 in Rajasthan, there has been unprecedented mushrooming of the number of private colleges and universities. Unfortunately the mushrooming of institutions has come up mainly with three types of imbalances viz. regional imbalances, imbalances in SC & ST enrollment and imbalances in the teacher student ratio. The most of the institutions has been established in the already developed districts of Rajasthan which has resulted in the regional imbalance in the distribution of institutions. There have already been small enrollment of SC's and ST's in the government institutions and after this increase in the number of institutions indicates a fall in the ratio of SC & ST enrollment as private institutions are not bound to follow reservation policy. The other imbalance has emerged in the incremental student teacher ratio, which has increased rapidly during this period. These imbalances may have long run impact on the equity and equality especially when the government jobs are shrinking and private jobs are increasing. On the one hand the quality of education is being compromised (increase in incremental student teacher ratio). On the other hand the equal opportunity is also in question. This issue needs to be dealt with sensitivity as it may affect the right to education and right of equal opportunity provided in the constitution.

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