



## ROLE OF PRIVATE SECTOR IN INDIAN HIGHER EDUCATION

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### ABSTRACT

*The paper explores need, challenges of privatization of higher education in India. The last two decades had witnessed unprecedented growth in institutes of higher education primarily due to private sector participation. The private sector has contributed significantly in increasing the gross enrolment ratio (GER) from 9.5% in 2005 to 14% in 2015. The private sector is expected to provide useful contribution in achieving the target of 31% GER by 2020 set by government of India. Though the private institutes have grown in number they are not able to attract the high ranking students. The issues of quality, access, equity, inclusiveness require urgent attention of the stakeholders. Unemployability of graduates is a cause of concern. Proper regulatory framework supported by mutual trust and accountability is important for the establishment of vibrant global private higher education institutions which can ensure quality, access, and inclusiveness.*

**Keywords:** Gross Enrolment Ratio, unemployability, Private sectors, inclusiveness, higher Education.

### INTRODUCTION:

India's higher education system is the world's third largest in terms of students, next to China and the United States. Unlike China, however, India has the advantage of English being the primary language of higher education and research. India educates approximately 11 per cent of its youth in higher education as compared to 20 per cent in China. Higher education is very important for a developing country like India and it is encouraging to increasing human development. Higher education in India has experienced phenomenal expansion since independence. India has produced scientists, engineers, technologists, doctors, teachers and managers who are in great demand all over the world. Now it is one of the top ten countries in our industrial and technological capacity, because of the significant contribution of manpower and tools provided by higher education, especially, technical education. India has already entered into the era of knowledge explosion. It has proved its tremendous potential by its performance in nuclear and space domains. In the coming few decades will be heralded by space craft, satellites, internets and others offshoots of

scientific enquires. Higher education provides specialized knowledge and skilled persons for national development.

The last two decades has witnessed an exponential growth in Indian higher education system. The number of institutes have grown at a compounded annual growth rate (CAGR) of 11% while student enrolment at a CAGR of 6%. The participation of private sector is increasing day by day. Private institutes now account for four-fifths of the enrollment in professional higher education and one-third in overall higher education. According to the FICCI and Ernst & Young report on higher education 91% engineering schools, 95% pharmacy, 64% business and 50% medical schools in India are non-government. Over 1.4 crore students are enrolled in 31,000 higher education institutions across the country.

India has the largest higher education system in the world, with 31,000 institutes compared with 6,742 in the US and 4,297 in China. The number of institutes has grown rapidly in last few years. In last year more than 5,000 colleges came into existence. In the last decade, the number of universities in the country has grown at a CAGR of 7.5% as against the 4.7% growth observed from 1951-2001. The number of colleges has grown at a CAGR of 11% in the period 2001-2011 as against 6.1% in the period 1951-2001. The table 1 gives the overview of institutes of higher education.

### Distribution of higher education institutes in India-

Type of Institution	Contribution
University & University level institutions	600+
Central Universities	7%
State Universities	46%
State Private Universities	16%
Deemed Universities	21%
Institutes of National Importance	9%

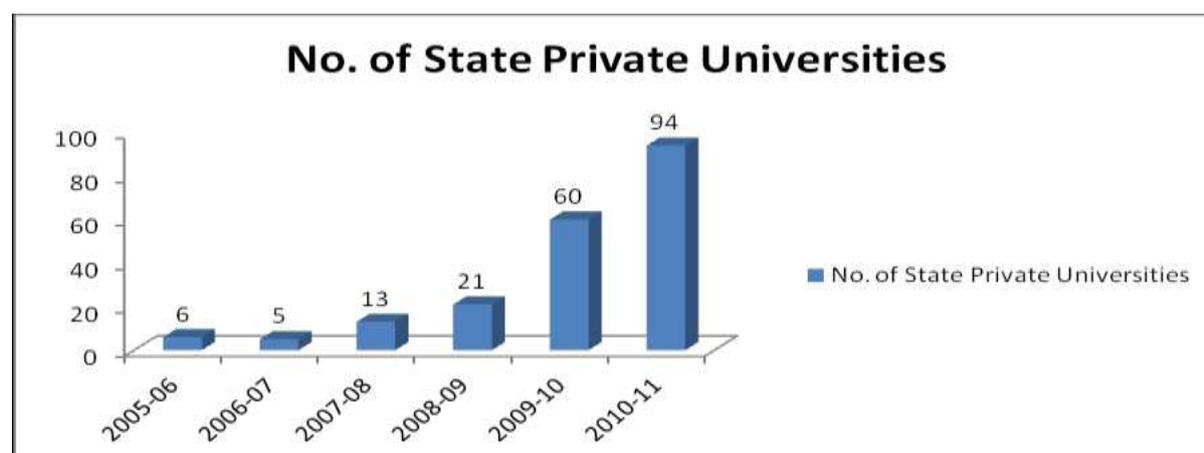
Source: [www.ey.com](http://www.ey.com)

### State Private Universities (SPU):

It have established under an Act passed by the legislative assembly of the state in which SPU is situated. Private sector has capitalized the opportunities of setting up state private universities due to active promotion of higher education by different state governments. Some states have aggressively promotes state private universities while others are following a

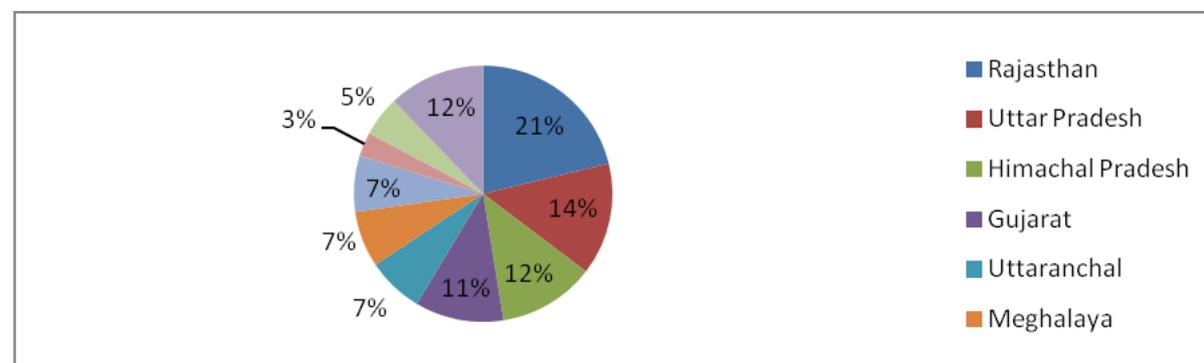
cautious approach. Chart 1 shows that the top 5 states; Rajasthan, UP, Himachal Pradesh, Gujarat, and Meghalaya- account for 65% of SPUs. Last two years have shown a strong growth in state private universities as shown in below.

### Growth Pattern of State Private Universities-



Source: [www.ey.com](http://www.ey.com)

### State-wise Distribution of SPUs



Source: [www.ey.com](http://www.ey.com)

### OBJECTIVES:

1. To analyze the current scenario of higher education system in India ,
2. To study the of total student and girls enrolment (000) in Higher Education ,
3. To identify on the Emerging issues of higher education in India,
4. To identify on the Emerging Challenges of higher education in India,
5. Suggestions for improving quality of higher education and Conclusion.

### PROBLEMS FACED BY HIGHER EDUCATION INSTITUTIONS IN INDIA:

Higher Education in India is more privatized than any advanced countries. A large number of institutes are private and self financed. Most private institutes however concentrate on market driven disciplines such as Medical, Engineering, Management, and ignore social science and pure science. The License Raj continues to flourish in Higher Education sector in India causing confusion and uncertainty in the regulatory environment. Conflicts between multiple regulatory authorities are the standard norm. Major weaknesses are perceived to be bureaucracy, lack of de-regulation or related policies and lack of autonomy with respect to admissions, course curriculum, among others.

### **NEED OF PRIVATE SECTOR:**

The central government funding on education is less than 1% of GDP. The government sponsored capacity building is not sufficient to meet the emerging need for higher education. At present 14.6 million students are enrolled in higher education sector. According to FICCI-E&Y report to achieve 30% gross enrollment rate (GER) over the next decade the country would need an additional capacity to cater to 25 million new seats. The extra capacity generation would need an extra Rs. 10 lakh crores by 2020. The funding requirement is Rs. 0.4 million per seat. At the current budgetary allocation for education, the funds would be insufficient. Private sector can bridge the gap in budgetary allocation and required allocation.

### **CHALLENGES:**

The broad issues to be addressed include, inter alia, accessibility, quality, equity, affordability, Inclusiveness, funding and regulation, which require a cohesive and integrated approach for solutions.

1. Conflicting objectives of providers (profit maximization, maximization of social benefits, and prestige maximization of the institution).The profit maximization objectives conflicts with the objective of social equity and inclusiveness.
2. Lack of uniformity in products, i.e., various courses/degrees being offered by educational institutions. There is no uniformity in the content, pedagogy, and forms of assessments by different private institutions.
3. Low return on investment: Poor quality of skills and education shows up in low incomes rather than unemployment as 58% of graduates make less than Rs.75,000 per year.
4. Poor Employability: Poor industry academia linkages, neglect of soft skills, inability to solve real time problems, mismatch of curriculum and industry needs lead to poor employability of graduates. According to a report by Team Lease Services, 57% of India's youth suffer some degree of unemployment.
5. Wide heterogeneities among consumers (students) with regard to purchasing power.
6. Lack of knowledge about the providers; and price and quality of the product.

## **GLOBALIZATION AND ITS IMPACT ON HIGHER EDUCATION IN INDIA:**

Globalization has a multidimensional impact on the system of higher education in India. The higher education system in India suffers from acute paucity of funds, lack of autonomy, burden of affiliation. On the other hand the effect of globalization on education brings rapid developments in technology, communication and knowledge economy.

### **1. Globalization and economic reforms-**

In India have yielded significant changes in the role of state and restructuring of social welfares education. In higher education it was always the monopoly of middle class and elite groups of the society.

### **2. Privatization of higher education-**

There has been an increasing trend towards privatization of higher education in India. In this day age of globalization and privatization with competition and to meet the new challenges of the 21st century higher education should be radically transformed.

### **3. Women education-**

Women literacy rate has grown over the three decades. Women education plays a very important role in the overall development of the country and improving the quality of life at home and outside.

### **4. Commercialization-**

Impact of globalization is commercialization of higher education due to which self financing courses have been introduced which has deprived many from getting higher education especially in countries like India where illiteracy still prevails and education is a dream to many.

### **5. Teacher education-**

Today the aspects of rapid change, lifelong learning, flexible routes of learning and the use of technology have a major impact on all the areas of teacher education. Major steps to be taken qualitative expansion, value based, competency based and ICT based teaching learning.

### **6. Knowledge-**

The impact of globalization on higher education is the transition to a knowledge society towards universities as knowledge-centers.

## 7. Skill-

Higher education is seeking ways to meet the demands and challenges put forth by globalization. Higher education today is expected to produce skilled and trained workforce who can compete in this global market.

## 8. Education policies-

Globalization impacts the education policies on higher education in India. In the last two decades Indian government has formed various committees, commission and also different kinds of economic bodies came to existence like NAAC.

## 9. Entry of Foreign Universities-

Foreign Direct Investment (FDI) is important tool of globalization. As government lack of funds FDI is allowed into higher education. The foreign universities are expected to bring the quality infrastructure in teaching, research as well as physical infrastructure. This will attract large scale foreign investments into India and also to an extent reverse brain drain.

## 10. E-learning-

People with disability get benefit from globalization only if they endowed with knowledge, skills, capabilities and rights needed to pursue their basic livelihoods. The introduction of technology into the classroom is changing the nature of delivering education to students is gradually giving way to a new form of electronic literacy , more programs and education materials are made available in electronic form, teachers are preparing materials in electronic form; and students are generating papers, assignments and projects in electronic form. Video projection screens, books with storage device servers and CD rooms as well as the emergence of on-line digital libraries are now replacing blackboards.

## CONCLUSION:

The higher education is treated as the educational pyramid at present times. Now the students have easy scope to acquire higher education because a lot of colleges and universities are opened for higher education. But contribute to national development urgent steps will be

taken to protect the system from degradation. Now government has to invest more and more funds in development of primary education. A huge cut in expenditure on higher education by government is the direct outcome. But it doesn't mean that higher education is not important. Government cannot absolve its responsibility of regulating private institutes. So, some regulating agencies have to be formed which assure quality and transparency and prevent profiteering. There is also a fact that private investors would not run an institute a loss. At the least, private institutions must be allowed to be commercial i.e. they must be allowed to break-even or make a small fair profit.

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