

PRIVATIZATION OF HIGHER AND TECHNICAL EDUCATION

ASSESSMENT OF RISK FACTORS TO BE GUARDED

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“We find today , a time bomb ticking under India’s social and economic foundations. At a time when the level of education needed for productive employment is increasing, opportunity to go to college for bottom half population is decreasing. The academic values in institutions are eroding. Rectification demands sweeping changes to halt sharp increases in tuition fees, and increase of public and other sources of revenue for higher education”.

1. INTRODUCTION

In an age of knowledge in which educated people and their ideas have become the wealth of nations, the universities, higher and technical education institutes have become of critical importance. The educational opportunities offered by institutions, the knowledge they create and the services they provide are the key to economic competitiveness and well being of people. The impending revolution in the structure and function of higher education stems from the world wide shift to knowledge based society. The principal challenge now is how to discover new ways and means to respond vigorously to rapidly evolving world, and creating opportunities of quality education at affordable cost for vast masses. Privatization of higher education provides a means to achieve this objective. While doing so institutions must have to preserve the cherished aspects of the core values like academic freedom, autonomy so essential for national prosperity. Opportunities in private are always accompanied by risks, which need to be guarded.

1.1 Statement of the Problem

Privatization is presently a flash point of crisis, in whole of India and elsewhere in the world. This is the central issue of debate and discussion in parliament and assembly of various states. Turmoil is breeding every where, because of rising fees in self finance private colleges. Pretty strong signals, that something is not quite right, are being received in India and also in USA. Frequent agitations from poor and disadvantaged families for whom it is difficult to bear rising costs have become common. The policy makers and educators need to listen to the voice of poor and middle income families. It is feared that if majority of the bottom half people are not able to send their children to colleges, long term damage is likely to be caused to the fabric of Indian culture. The poor and disadvantaged people feel that the nation in its attempt of development will lose the talents of major segment of population, and undoubtedly will miss the cherished goal of development. Poor and middle class people feel that programs in government are perceived and planned only for

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the rich, adversely affecting them. They have a feeling of betrayal causing resentment which may lead to discontent, instability, even riots in distant future, which may be very costly.

Private self finance institutes, in India, which are mostly managed and maintained by political leaders, have a nonacademic value system. In most of the cases they are self centered going to the extent of causing damage to the core function of academics and jeopardizing education. They put the students and public at large to disadvantage. Short term gains dominate the long term objectives, like academic freedom, and raising people's intellectual capabilities. Concern for students, faculty and staff is likely to be lost, in favor of management whims and fancies. Government, in the recent past has reduced investment in higher education and as a result privatization has spurred. Private institutions have become practically tools in the hands of politicians and businessmen who do not appreciate academics. Consequently, the deeper purposes of education are lost. Loyalty to the cause of education is reduced. Admissions are being made on capacity to pay for, rather than merit. Academics is getting back seat and money making has become prime. Professors have become employees having almost no say in governance. Respect for them in the eyes of students and management has gone down, adversely affecting creativity. Short term private gains are getting priority and long term nobler public interests are sacrificed. Professionalism is adversely affected. Governing boards have polluted the atmosphere.

These risks in privatization need to be understood, analyzed and accounted for. US government has appointed recently a commission to examine how privatization is undermining core academic values and its long term impact on national economy. Many people in India, have fears that uncontrolled privatization, will shadow intellectual atmosphere.

The paper identifies the risk factors and delineates what universities, government, and

academics at this juncture of time should do to limit damage and yet make most of privatization.

2. POSSITIVE ASPECTS OF PRIVATIZATION

Wisdom to establish and run an institute of higher education is not monopoly of government alone. It is available also in private. A nation should not depend on only government but harness capacities both in government and private. India can not forego imaginative ideas, funds available, organization and management capability so abundantly available in private, to win in global competition. From 1981, a wave of self finance private institutions has been initiated, and now proposal of private universities is being moved.

Private institutions being relatively thin and lean are quick to respond to opportunities in changing times. They enable people to learn that which is relevant and en cash income and employment chances. Private institutions can afford to take more risks and thereby avail more opportunities. Their rules are flexible, and this is their strength. Privatization of higher education the world over is found to accelerate industrial development, generate employment and income. Governing boards of private institutions are mostly consisting of professionals like lawyers, industrialists, doctors. They can better regulate higher education institutions than legislators in government, who hardly have any orientation, and priority so is the observation world over. Private institutes are nearer the free market, which facilitates them to adapt quickly to changing situations. So it is possible to have effective governance. It is obviously wiser, to use money, energy, talent etc. of private for the public cause of higher education.

It is not a matter of only providing financial resources for higher education. More it is a matter of organization and management capability. If the same amount, for example, as invested by private institutions, was invested by government, for establishment of new

institutions, they would certainly not have come up as fast and better as they have. The limiting factor for success, it is realized, is not funds alone but the expertise. This is available both in government and private. India at this juncture of time needs to depend not only on government institutions but to exploit the dormant capacity available in private and without which its economic and social development plans will undoubtedly lag behind. Hence opening of private institutions and universities should whole heartedly be welcomed. This does not mean that only private institutes suffice. Equally important and essential is the opening of new government institutions. A national policy favorable to both is the need of time.

2.1 Investment is Rewarding

Governing boards of private institutes are found to be active and more successful in raising funds from alumni and others. They also collect innovative ideas, to orient institutions to scientific management practices. They provide increased access to more number of students of all ages. They successfully raise intellectual capacity of the nation. They are found to give more and better leaders to government, industry and to various walks of life. They have in the past given many inventions and innovations, which have enriched the human civilization. They would now shake up not only the higher education sector but also the national economy. India so as to fulfill its dream of becoming a global power needs to harvest capacities in private institutions most. The rate of return on investment in higher education is reported to be very high, of the order of 70 to 100%, which very few commercial projects can achieve. More investments India makes in education, more financial returns it can obtain. It is a case fit even for borrowing from international market.

Privatization of higher education in India, since 1981, has delivered good results. Private, self financed institutes have contributed remarkably well to economic and employment growth. For example, in I T sector it is observed to have

made a mark on international plane. It has raised the image of India in the world market. In USA privatization of higher education has yielded much greater dividends.

3. RISK FACTORS TO BE GUARDED

Privatization is good provided it is planned and regulated well. But when uncontrolled it may harm the society. There are limits [Laxman Resha-in Marathi language] within which if they remain privatization succeeds. If they go beyond they enter danger zone. The limits need to be borne in mind by all concerned and especially the governing boards, government and academic leaders. They have to guard against the risks at their respective institutions. This is so essential for their survival, and to make most of privatization. It is hoped that they will show the necessary wisdom.

3.1 Admission on Merit - The Biggest Risk

The supreme court of India in its various rulings time and again, have stated that admissions be made on merit and not on the capacity to pay for. All merit students however may not have money enough to take admission in private institutions. True that education loans have now become available. Yet they are not that easily available. They need guarantors, land, buildings etc for mortgage. Such merit students may be deprived of making a better career they are capable for, and ultimately the nation stands to lose. These colleges in turn may become institutes only for the rich, instead of bridging the gap between the rich and poor they are perpetuating to widen. They themselves and the nation at large may in long term become socially unstable. The limits of privatization need to be understood and followed in spirit.

Fees in the self finance colleges in medical and engineering courses have sky rocketed. Institutions are found to admit students on the capacity to pay for, rather than merit. The

standard of education in private colleges has been diluted. . Private colleges have taken a hold on most of the universities, and bending rules to preserve their interests. The board sometimes appoints only such professors who would be co-operative. The institutions have turned mediocre. Imagine the plight when students from such institutions get degrees and join professions, and thereby license to practice profession. Would you take your patient to a doctor passed from such an institution? They do not then follow the ethics but exploit the situations. Institutions would have to guard against this tendency.

3.2 Nobler Aims Thrown Behind

The motives that inspire professors may be nobler, going far beyond those that animate political and business leaders. Commerce is irrelevant to learning, discovery and acquisition of knowledge. Nothing from politics or corporate sector can measure the value of research output or determine reliably how valuable is the knowledge. Academic institutions should therefore be meticulous in following the norms and standards of faculty, staff, and infrastructure, laid down by authorities like UGC/AICTE. Professionalism should be maintained at all costs. Management of colleges has a tendency to appoint experts from corporate sector to economize expenditure and yet improve performance. These experts who do not understand the pulse of academics may try to apply corporate methods. They may identify redundant positions in science departments but this may diminish quality of education and research. So as to really encourage innovation and creativity, you need to have a good deal of slack time. Ways of corporate sector are however neither consistently useful nor wholly irrelevant. This makes problem handling in academics more difficult. Educators must have to use their own judgments to decide how to pursue improvement, and economize. Simple cost benefit analysis will fail. Would you like to admit your son or daughter in an institution

where there is no professionalism?

There is a growing influence of business on academics. Interaction between the two for exchange of ideas and experience is essential. Some observed that working of academics for business is beneficial and not at all harmful. While this is true, academics must remain academics and business must remain business. Separate identity of the two is essential. Companies provide funds for research and wish that the result should not be published in open. They have a fear that this may go in the hands of their competitors. This secrecy although desirable for company is not desirable for a public institution. Institutions should have to prepare the rules, legal frame work, and professional ethics without which they will yield to pressures of money from companies. Academics should not be required to bow down to business. This in long range is too damaging. Corporate money, it is said would try to subordinate the public aims of research and education to private ends. . Governing boards ought to hold academic values even at the cost of lucrative opportunities to earn money, win public trust, and retain the interest of faculty and students. They should create an atmosphere favorable for truth to prevail. Academic institutes by virtue of research and innovation should show the way to industry. It should not be the other way round. *Academics* and institutes should remain in driver's seat, and not be driven.

3.3 Academic Freedom Being Snatched

Government is asking institutions to speed up innovation, inventions, job creation, and income growth by co-operating more closely with industry. There is a growing demand from society to benefit from academic works and draw rewards from market place. Academics should certainly put academic work to practical use by selling patents, scientific discoveries and earn money. While this is true the ties between the two should be open and follow sunshine laws. They should not be suspicious. Academic

institutions private or public both work for the public cause. Academic sanctity should be maintained. Academicians should essentially have academic freedom to publish the findings of their research, so also conduct research they like. . These limits should be observed by both the academics and business. Business should not impose a constraint on them. Academics are expected to play their legitimate role of critic for both the government and industry. They essentially should remain autonomous, for maintaining a healthy national economy. Would good professors like to join as faculty in such an institution where there is no academic freedom?

The sanctity of professorate in private institutions is also likely to be adversely affected. The respect of professors in the eyes of governing board and students is going down. They are treated as simple employees available on payment and not as gurus. Their emotional involvement in education is not tapped. They are not permitted to possess academic freedom. This in ultimate analysis may damage the creativity so badly needed, for a nation to prosper. It is further observed that government has reduced investment in education and hence students are forced to go to private self finance colleges. Some feel this is a plot of politicians who on one side sit in government, and on the other as chairman of private self finance colleges. Loyalty to education of governing boards in the eyes of public has become doubtful.

3.4 Education and Business Links to be Synergistic

Linking academic research to business, only in a limited manner is good. Opening offices by institutions for commercial sale of patents and technology is good, but within limits. The limits need to be defined and identified in rules of the institutes. Nothing should be at the cost of education. It should only supplement. This however is not an easy job. Governing boards should primarily be guardians of academic values. They should see to it that academic

values are not compromised. Many are afraid that private universities if started will shadow in long run the intellectual and academic culture. Irreplaceable values may get permanently lost in relentless growth of privatization. These are the negative side effects which need to be guarded.

Institutions should not become tools in the hands of those who do not realize the value of academics. Academics should not be viewed as business but service to society. It is now time proper, in the face of globalization to revamp higher education. We must accept the challenge, in spite of difficulties and tap opportunities in world market. Academic professors and directors of the institutions should be appointed who bring scholarship to the institutions. Often professors and principals are appointed who are good in raising funds. This is the side effect to be guarded. Business effects are for short term while academic effects are for long term.

Privatization affects the behavior of professors, and officials. The element of social service is being driven out. This may change their character for worse. Self finance institutions are tending to become business concerns instead of moral and intellectual. Privatization leads to surge in money making activity in campus. It stems from the attitude of top management. Education values are likely to be sacrificed. A wrong message is likely to go to younger generation. Are teachers granted role in governance of the institutions? The institutions in private sector also are accountable to public interest. University or an institution is a means to prepare a brave new India. It is a national asset of very high value. Therefore private colleges should be regulated well by government. Education has assumed a central role in national development. Are institutions and business accountable to public interest?

3.5 Orienting Governing Boards to New Paradigms

Business executives are being appointed on

boards of institutions. They are appointed even as chairman. This is welcome. However, many professors in all their humbleness do not appreciate the move. They feel institutions should not be run like General Motors. Principal purpose of institution is academic. They should be run by academicians who are specialized in them and not by administrators or businessmen. Success is measured in terms of research output and education quality. Cost saving in teaching and researching by those who do not understand the pulse of academics is hazardous, which can do more harm than good. Long term damage to institution may take place. They may make a business of institutions and academics may be given back seat. The time and energy of students may be diverted to commercialization and not education. Long term damage for generations is therefore possible and guarding against this happening is of vital importance. Non academic things like campus maintenance, food service etc may however be better managed by persons from non academic fields. Governing boards may be oriented to changing academic needs in global environment. People at the time of elections have their votes in their hands. They should cast them in favor of those who attach high priority to education, and fund adequately, equal to if not more than defense. What is the value of that governing board which does not win confidence of faculty, staff and students?

Students from bottom half of the population is observed to be late developers, having greater enthusiasm and having a greater drive for higher education. Many of such persons after graduation have grown faster into successful professionals, and leaders in social and community activities. They are observed to become more productive and ease tensions in the society. The government and governing boards ought to give consideration to these aspects while making decisions for admissions.

4. SUMMING UP

A wide scale debate on risk factors involved

in privatization of higher education is necessary. This is essential so as to understand the gravity of the problem, and keep in check the negative side effects arising out of privatization. The paper has attempted to identify them.

Higher education institutions essentially should not go too close to either business or government. It has to have academic freedom to be able to play its legitimate role as critic. It should essentially therefore be autonomous.

The honor and respect of professors, the highest post in academics, by law should be maintained at all cost. Their authorities and responsibilities as professors should be written down in university acts. It is they and the students who make an institution. Others even chairman, governing board, etc are ancillary.

We have entered a period of significant change. We must ask two questions to ourselves, whom do we serve? How can we serve better? Certainly the need for higher education will be of increasing importance for masses in knowledge driven future. The current paradigms of teaching, research, and service to society, and of obtaining finances all must change. During change, interests of lower and middle class people should not be forgotten. Without increased access in higher education to down and out people India will remain poorer.

If institutions keep on increasing tuition fees and state does not support financially, one day India will be socially unstable. Instead of becoming a power in the world it will then remain one of the poor most countries. If we stay on our present course, and do not change we are more likely to encounter disaster, in the years ahead.

Cost containment and renewed public investment are clearly needed. New paradigms for providing and financing higher education is required for longer term. Shifting the financial burden from previous generation to next, allowing the generation proper to bear the burden is one

possible solution. Students should take loans today and pay back from their future income. It is like housing loan or car loan. The debt on student will be too big. Assimilation of this will take time. Have the previous generations paid for establishment of institutions for generation of today? They have paid when the country was poorer. Why now prosperous India can not?

We need to appreciate that higher education is public good, besides private. With the increase in educated population, tax collection by state and center goes up. The government gets higher income, so also the private individuals. The two namely public and private must have to share costs in a proper mix.

The tuition should not be too low, to mean that tax payers are paying for the rich. We must reestablish our priority, to provide educational opportunity to all, who have the desire and ability to learn. We must sustain these institutions to serve our children and our grand children, by abandoning the erosion of government support. Human competency increases with education, and the government will only be richer if it does so. When other countries are spending 6% to 10 % of GDP on education why India can not? Roots of poverty lie in low level national funding for education.

While most of our institutions are already trying to change and adapt to a changing world, they are yet far too behind the target. They must, regardless whether they are private or public, maintain fundamental scholarly commitment and values required for a worthy democratic society. The key persons should keep in mind the deeper purposes. Those institutions which show visions, wisdom and courage will lead in years to come. Poor and middle class people are looking with hope to them.

It is hoped that the governing boards and academics that control the institutional performance, will show wisdom to recognize their obligation to community, region and even the world. They should take their duties and responsibilities as a moral vocation, show

scholarship in public trust they govern, and provide public service in an exemplary way. They can certainly cover all the risks arising out of privatization, and make it a success.

“ The solution of virtually all problems with which government is concerned like housing , poverty, health, education, environment, energy, urban development, international relationships, space, economic competitiveness, defence and national security, all depend on creating new knowledge, producing competent manpower, and hence upon the health of academic institutions.”

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