Chapter 1

Introduction

1.1 Introduction

Development paradigm is experiencing a shift all over the globe. Many countries, particularly developing countries are in transition- from a development paradigm based on welfarism to a ‘neo-liberal’ paradigm. The current popular argument is that it is not the government, but the market or the private sector that can do everything for everybody. In the post colonial states, the numerous socio economic and political policies came to be influenced by the guiding principles of different International Financial Institutions (IFIs). The chief agenda or principle behind these IFIs has been the phenomenon of neo-liberalism or the alleged neo-imperialism, which rose to prominence basically as a critic and opposition to the concept of ‘welfare state’. The underlying assumption of the neo-liberal agenda is that human welfare is best served when the state withdraws from welfare policies and activities. What is rather expected of state is to create a congenial atmosphere for the market by introducing different laws and institutions for its operation (Olssen and Peters, 2005, p. 136). Neo-liberalism which basically refers to a new economic model that rose to prominence in 1980s, basically suggests deregulation of the economy, liberalization of trade, market reforms, and privatisation of state owned enterprise. This ideology of neo-liberalism that promises unprecedented economic growth and freedom has been able to capture the attention of all the nations- both developed and developing. The neo-liberal discourse treats society as a market where the individual has been relegated to the position of a
commodity (Lipman, 2007, p. 267). Like many other sectors, education has also been
designed and shaped in accordance with the neoliberal principle within a very short
period. In fact, education constitutes the key target of the neo-liberal agenda because of
its market size the influence being most significant in the higher education sector (Ross
and Gibson, 2007, p. 56). The developed world of the west has made much headway in
incorporating neo-liberal agenda in the higher education sector. It was in 1980s that the
developing nations have also emulated the west in bringing about certain policy changes
in the higher education sector much in the line of market principles.

The value of higher education was recognised in traditional societies perhaps much
more than in modern societies. Though no attempts were made to identify and quantify
the benefits of education, the value of education was rarely questioned. Education and
knowledge were viewed as a great wealth in itself, besides being a source of increase in
wealth. It seems that even the existence of externalities of education was acknowledged
in traditional societies, both in the ancient and modern periods. Accordingly, societies
invested resources in education voluntarily and gladly, and many a time without
expecting any direct economic return. Even in modern societies for a long time, say,
until the advent of the 1970s, it had been so. It was held that the benefits of education
were vast and widespread, and in the long run, government investments made in
education could be recovered by society through the increased productivity of the labour
force and through consequent higher tax receipts by the government. As Mishan (1969)
observed, “[higher] education is an investment and will pay for itself; and will increase
the earnings of the beneficiary students and the government will recover its costs
through consequent higher tax receipts." (Tilak, 2004).
Philosophy of welfare state and social democratic consensus used to be the ruling ideology in the post war Europe and post independence developing countries. Government was held in high esteem and was thought to be in control of everything. It was strongly felt that government could do almost everything for everybody. After Keynes, the power and role of the state was widely recognised, and education had been one important sector in which the role of the state had been greatly recognised. Vaizey (1962: 23) observed, "there is a long and honourable tradition from Adam Smith to Alfred Marshall which assigns to publicly supported education a major role not only in promoting social peace and harmony, and self improvement, but in the process of wealth-creation itself." This has set the trend for public provisioning of higher education. With the states adopting the neo liberal principle, higher education sector has undergone a number of significant reforms. Basically it means that the state is assigned a secondary position with the market playing the leading role and the nature of higher education comes to be determined and shaped by the logic and philosophy of market.

1.2 Statement of the Problem

Around the globe, higher education is being driven by the economic and political goals of neo-liberalism. Institutes of higher education have begun relying on private investment. Moreover, the education offered by these institutes is also designed more or less in tune with the demands of global market. Although primarily a state prerogative, higher education is witnessing gradual withdrawal of the state and increasing intervention of market forces. In India, historically, higher education was facilitated by the state with the aim of ideal knowledge building in society. Just after independence, development in India was considered a state prerogative and endeavour. In case of education too, as an important component of social sector and a determinant of
development, Indian constitution opted for public provisioning of education- education being primarily a responsibility of the state. The period since 1990 has significantly altered the role of government intervention in the economy and society of India, due to the new push for neo-liberalization. With the adoption of neo-liberal policy reforms, higher education of the country has become highly privatised, commercialised and deregulated. Along with various other areas, the social sector also got affected by this neo-liberal reform program with far reaching implications. The policy shift in the aftermath of LPG witnessed a gradual withdrawal of state in the social sector and increased intervention of private forces, and made way for a transition from the state led development to neo-liberal development agenda. In India, basic facilities like education and health care are under social sector which is a responsibility of the state governments. The states are however dependent on the centre for funds and grants for implementing and initiating plans. Experience of the years shows that there is a decrease in the flow of funds from the centre to the states. It has ultimately undermined the social sector spending causing primary facets of development like education and healthcare go through resource cuts. In India, the economic ministries are basically responsible for designing social policies as the development of the social sector is primarily dependent upon the funds and resources released by the finance ministry. Since 1990s, social policies have also shown a tilt towards neo-liberal principles than social and democratic ones. The Indian state since independence has been speaking about public provisioning of higher education. However, the ground reality seems to be different, with a below target public funding of education (Tilak, 2003).

Higher education in India in the post independence period made significant progress in a period of three decades compared to its poor condition in the pre independence period.
This progress was definitely due to the efforts of the Indian government in a bid to develop scientific and teaching infrastructure as well as to produce skilful professionals and technicians. However, in the post 1990 period, the public character of higher education waned away, and it has come to be regarded as more of a luxury than a public good. In fact since the early 90s most references to education, be it in plan documents or budget speeches or other government pronouncements about supportive public policies are invariably either confined to primary education or accord very low priority to higher education. It is often asserted that given the limited resources, there is always a clash between primary and higher education and the former ought to be preferred over the latter. This has been the trend since 1990s and in 1994, the government even declared that higher education in India is sufficiently developed to meet the requirements of the country, and accordingly the unmet demands of higher education are not considered economically viable.

The state of Assam too in course of time has started witnessing privatized influence on higher education. Previously a responsibility of the state, higher education is being opened to the private sector. There have been a number of private educational institutes of graduate and undergraduate level. However, they are basically affiliated to universities- public or private, within or outside the state, without any authority to issue degree on their own. But with the enactment of Private Universities Act of 2007, now there is a significant shift of orientation of higher education in the state. The act has clearly brought out the intention of the state of opening the higher education sector for private forces and sharing the responsibility which has hitherto been carried out by it. The government argues that higher education has no direct social benefit and therefore is more a burden or liability on the part of the government. The public institutes of
higher education do not bear any fruit; rather are running on deficit. State investment is more needed and intended for primary education which carries direct social benefits. The state authorities, therefore, opine that state should cut down on its contribution towards higher education, and the same should be handed over to the private sector. Such privatisation of higher education bears significant implications for the education sector and for the society at large. Privatisation primarily implies that education will be designed in line with the market principles. The private authorities have the autonomy to generate their own fund, and the fund is basically borne out of the fees received from students. The motive of generating revenues along with profiteering eventually makes the authorities levy high fee on the students, and this in turn carries the possibility that higher education will be an arena accessible only by the rich and affluent families. The course and curriculum of private higher education also reflect a definite pattern. Private institutions of higher education put primary thrust on the technical and professional courses, and general education like study of basic disciplines like physics, chemistry, mathematics, political science, economics, and philosophy do not seem to receive due attention. Study and research of these fundamental disciplines carry immense importance in the personal development of the individual as well as the overall betterment of the society and humankind. But the fetish for privatisation puts the thrust on professional education, and the concern for moral and civilizational development seems to be relegated to the back-burner. Education can and should never be designed and shaped only with the aim of profit making. It has much higher and noble cause associated with it. The root as well as the progress of human civilization lies in education, and therefore the state or the government has a serious onus to shoulder this responsibility of facilitating higher education as a public good to as many aspirants as
the society may produce. In case of Assam too, we can see a shift in the political design of higher education. Gopinath Bordoloi, the first Premier of Assam, who himself was an educationist of great repute, considered higher education integral to the development of a state. Keeping the education department under his own domain of responsibility, Bordoloi wanted to ensure a rich educational destiny of Assam and established Gauhati University with severe hard work and toil-moving from door to door collecting fund (Neog, 2012). Bordoloi, feeling the needs of the middle and poor class students, established B. Barooah College, to cater to the educational needs of the poor students of the region. After Gauhati University was established, he expressed his wish that education should be as free as possible, and that university should be kept away from political interference. When talking of the aim of higher education, he said the aim should be to create such men of knowledge, who can feel the needs of the common people and try to satisfy the same (Neog, 2009). However, the ideas of the political leaders have undergone a change. Tarun Gogoi, who was the Chief Minister of Assam from 2001 to 2016, has termed higher education as a liability. In Assembly Debate of Assam Legislative Assembly, Gogoi argued that in this era of ‘knowledge societies’ where economic development is synonymous with knowledge, we have to take the help and support of private sector, if possible even beg them for money. Arguing that higher education is no longer a prerogative of the elite class, Gogoi maintained that the government has to pave way for establishment of higher educational institutions of repute and for that he debated the case for private investment (Assembly Debate, 2006). Ripun Borah, the then Education Minister when Assam Private Universities Bill was passed, also justified the case of private investment in higher education stating the migration of students to outside places. According to him, to check the brain drain of
the youth of Assam, we need to establish institutions of technical and professional education in the state itself and for that private investment would be necessary. It was further clarified that such institutions of higher education will primarily be focussed on technical, professional and vocational courses, and would try to engage in industry interface to create skilled professionals eligible for the market (Assam Assembly Debate, 2006). In 2011, the government of Assam even urged the universities to apply for loans from banks and other financial institutions to implement their academic and other infrastructural requirements (The Telegraph, 2011). The universities were asked to explore new sources of funding to carry out its schemes. Dispur itself agreed to become a guarantor of loans for the universities, which they could repay by mobilising internal resources. They were told that the repayment of loans should not be a problem as the universities can garner substantial amount of revenue by introducing professional and job-oriented courses and by increasing fees reasonably (The Telegraph, 2011). Such move by the government also pointed towards a drive for privatisation of higher education.

At present there are six private universities and a large number of private colleges offering courses of higher education. The fee structure of the private institutions is high enough to be unaffordable for the students of poor and lower middle class families. The courses offered by these institutions clearly indicate the tilt towards the technical and professional education suitable for market.

The argument in favour of privatization of higher education has been that higher education does not hold any promise for social and economic development and reducing poverty and inequalities; and therefore government subsidy should be available only for
primary education. However while primary education provides the three R’s- Reading, Writing and Arithmetic, it does not facilitate skills and knowledge that ensure employment or other economic benefits. Moreover, primary education is not able to take people much above poverty line even if it has any poverty alleviating effect. On the other hand, it is higher education that consolidates the benefits of primary education, and prepares an individual with the skills and knowledge useful for labour market. Also, higher education holds the potential to take people much above poverty line with increase in social, economic and occupational status. Significantly, higher education can keep people above poverty line by eliminating any possibility of them again falling into poverty trap. In fact, what appears is that higher education can form a very significant ‘human capability’ or ‘human freedom’, championed by Amartya Sen, a freedom that helps in attaining other freedoms. Research evidence also shows that higher education in India indeed contributes to poverty alleviation as well as development. It helps in reducing absolute as well as relative poverty; contributes to economic development by enhancing individual earnings; and also contributes to improvement in human development indicators, such as infant mortality and life expectancy.

1.3 Origin of the Research Problem

Assam has had a rich history of public higher education with a number of public universities like Gauhati University and Dibrugarh University to name the most prominent ones. These were set up at the initiative of the government with the sole aim of imparting and disseminating knowledge, promoting research in relevant fields for the betterment and upliftment of the society along with conferring degrees. These institutions of higher education have been running absolutely on public funding with no motive of profit making attached to it. However, eventually state government started
involving private forces for carrying the burden of increased demand of higher education, demand for professional education and the cost of education; the process getting officially crystallised with the enactment of Private Universities Act in 2007. Accordingly, significant change has emerged in the nature and purpose of higher education in the state. It is important to understand the nature and extension of the trend in the state of Assam, along with its numerous consequences. Moreover, in this changed scenario of higher education, it becomes crucial to analyse the role and position of the state or government in Assam, education being a public good and bearing. These are broadly the issues that have been dealt in this study for the very first time.

1.4 Objectives of the Study

The study has been steered by the broad objective to understand the diversion in one of state’s prime social responsibilities, i.e. higher education under the influence of neo-liberal phenomenon along with its numerous ramifications for education as a citadel of humankind as well as for the society. It has also aimed to examine the changed orientation of the state as a facilitator of social goods, if there is a change. The study has intended to understand the important departures and structural changes that have come to change the nature and purpose of Indian higher education in the post liberalisation period, especially since 1980s. The study has been conducted keeping in mind the scenario of Assam, and the particular objectives of the study are as follows-

1. To see the evolution of higher education in the state of Assam.

2. To see if there is any change in the Higher Education sector of Assam in the post-liberalisation phase.
3. To see the expansion of higher education in the state during the period of 2007-2017 in terms of establishment of private and public universities.

4. To understand the principal focus of these institutions along with a focussed look at their courses and disciplines in comparison to public institutions.

5. To understand as to how the issues of justice and equity are addressed by the private institutions of higher education.

6. To understand if there is a decline of government funding and patronage to the public institutions of higher education in Assam.

7. To see if there is a link between the ideological underpinning of the ruling dispensation with the creation of new higher education institutions in Assam and to understand its nature, if there is any.

1.5 Research Questions

In accordance with the objectives of the research, the researcher has taken up the following research questions-

1. What are the changes that have been occurring in the field of higher education in Assam in the post liberalisation period?

2. Did this shift change the role of the government with regard to its social responsibility as in government funding?

3. What are the new private and public institutions that have come up in the period from 2007 to 2017?
4. What are the thrust areas of the private institutions, especially in matters of courses and disciplines?

5. How has privatisation of higher education affected the cause of social justice and equity in the society?

6. Has there been any change in the nature of public higher education?

7. If any, what is the nature of the connection between the ruling ideology and educational institutions?

1.6 Theoretical Framework

The theoretical underpinning of the study basically consist of a sociological analysis of the state-education relationship from the three perspectives of liberal-pluralism, Functionalism and Marxism and Neo-Marxism, understanding of the theoretical origin of the phenomenon of neo-liberalism, the nature of neo liberal state as well as the neoliberal manifestation and implication in the higher education sector.

To understand the relationship between state and education, a sociological analysis consisting of three broad approaches has been undertaken in the study. The first approach consist of Weber’s Political Sociology and the liberal-pluralist approach which derives from classical liberalism and the liberal democratic theories of state propounded by Hobbes, Locke, Bentham, James Mill and John Stuart Mill (Prasad, 2002). The prominent thinkers to propound the pluralist perspective are Margaret Archer and Randal Collins. The second approach is the functionalist perspective which focuses on understanding the role of the state and education in the maintenance of stability and change in society, social cohesion and examines their mutual association
within this structure. Emile Durkheim is the principal contributor of this perspective. Marxist and Neo-Marxist ideas which focus on class struggle and the coercive character of the state constitute the third perspective. Education, according to the Marxist thinkers, form an apparatus of domination by the ruling class. The political context and nature of educational policies, the values associated with the democratisation and expansion of the same, scarcity of resources and the dilemma of capitalist expansion constitute the basis for understanding the state-education relationship in post colonial underdeveloped nations (ibid). The process of liberalisation has brought another dimension to the understanding of the state education relationship and the imperatives of state policy towards education.

Emergence of the ideology of neo-liberalism was a response to the crisis of the ‘Keynesian welfare state’ in the post war reconstruction period (Clarke, 2005, p. 58). The first half of the 20th century was characterised by a downfall of a period of liberal market ideology and failure of the market. The downfall of liberal ideology was followed by a new doctrine of welfare state in the immediate post second world war. While 1950s and 1960s was marked as the period of Keynesian policy of state intervention, the failure of Keynesian welfarism to ensure sustainable growth in the 1970s marked a new period of neo liberal policies which intended to establish a synthesis of market and state interventions by invoking the principles of market in the functioning of state. Neo-liberalism reinforced the liberal ideology and the principles of individual rationality, market competition. However while liberalism ruled out state intervention, neo-liberalism extended to consider that state is supposed to intensify the market operations. Neo-liberalism opposes the basic premises of welfare state and favours abolition of public monopoly. It believes that state interference in public
enterprises will hinder production and profit, and therefore upholds privatization and market fundamentalism. It believes in abolishing all kinds of barriers and creating opportunities for private sector. It is in favour of restructuring rather than planning by the state and wants the state to promote market-based incentives. Thus in neo-liberalism the role of the state is not negated. State participates more and more not in the production of goods and services but in facilitating the production by the privatized mode- the state actively constructs the market. Influencing all facets of society in general, neo-liberalism is guided by the belief that creation of wealth as well as economic progress can only be ensured by individual private property and private enterprise. In the words of Harvey (2005: 65), granting private property rights can best protect resources from exploitation of common resources by individuals, called as the ‘tragedy of commons’.

Neo-liberalism is a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets and free trade; while the state is expected only to create and preserve that institutional framework. The state must also, neo-liberalism argues, set up those military, defences, police and legal structures and functions required to secure private property rights and to guarantee the proper functioning of markets, even with the use of force, if necessary. Furthermore, if markets do not exist (in areas such as land, water, education, health care, social security, or environment) then they must be created, by state action if necessary. But beyond these tasks the state should not venture. State interventions in markets must be kept to a bare minimum because, according to the
theory, the state cannot possess enough information to second-guess market indicators and powerful interest groups will end up distorting state interventions to serve their own ends. (Harvey, 2005, p. 2). Thus while as a theory, neo-liberalism favours market relations over state intervention, at the level of hegemonic practice, has successfully captured the state as the means of pursuing its objectives (Harvey, 2005).

The concept of state as put forward by the free market approach has been an ambiguous one. This market approach to social and economic policies of the nations defined an unclear relationship with the state. World Bank and all the governments that supported the new economic policy initiated major economic reforms including privatisation of public services to deregulation of labour and environmental laws. The new economic reforms furnished ground for withering away of the state and a minimal state which will have a limited role in the economic system of the nation. According to the neoliberal ideology, public interest can best be defined and served by market forces and competition. It is argued that market can best define and express individual choices and can promote individual freedom. Market competition, it is argued, can ensure both individual prosperity and larger societal benefit. Competition and efficiency be the basis of economic enterprises, and hence, allocation of funds and profit making are more in tune with individual freedom, which also help the wealth resulted out of private enterprise penetrate down to all the sections of the society.

The neo-liberal theory concedes incapability of state mechanism for successful functioning of national economies. It is argued that the state should be entrusted with minimal role given the inefficiency of the state to manage national economy. Also, the theory states that the state does not either have any legitimate authority to govern the
economy, which, rather, the theory argues, would put the economy in peril. State enterprise would put freedom of individual enterprise at stake, which will also lead to inefficient use of resources with no trickledown effect to benefit the society. State led and controlled economy will rather go against the interests of economic well being of the individuals and the larger societal benefits supposed to be accrued from economic activities. The neo-liberal advocates thereby went on to make arguments in favour of a limited state with least government affairs. Considering market competition as the panacea of all the economic problems of the nation, neo-liberals argued that there should be increasing market intervention and gradual withering away of the state in all the spheres of economy and society.

A neo-liberal state is supposed to be a staunch protector and promoter of individual freedom with firmly entrenched state institutions and an established rule of law to serve the ends of free market, trade and capital. It provides primacy to individual rights and freedom of action choice and expression and believes in establishing institutional mechanism to protect the sanctity of individual freedom along with upholding the supremacy of free competition and contractual obligation among individuals in the free market scenario. Individual freedom in the form of private corporations and business groups are to be promoted as an essential good; and state is entitled to even resort to oppression, repression and violence to safeguard individual as well as market freedom. Public enterprises’ alleged failure to fetch societal progress and benefit made the case for market as the panacea of all kinds of miseries and economic underdevelopment. Creation of economic wealth and financial novelty are considered to be successfully based only on the foundation of free market as against state endeavours. Private entrepreneurship and enterprise are also expected to bring about the much needed
‘trickle down’ effect to actualise larger societal benefit. Omnipresent and continuous private enterprise is seen as the sine qua non of material well being and progress, and like the rising tide that lifts all boats, these enterprises are expected to eliminate poverty.

Though the neoliberal agenda enunciated a limited state, in practicality, the world did not see a decreasing role of the state, in economic affairs as well as in public spending in social sector. Rather northern states grew much in power and came to exercise increasing influence over the southern states under the structural adjustment program. In opposition to the neo-liberal agenda of cutting down public spending, World Development Report published by World Bank projected that in reality OECD countries witnessed an increase in government spending meeting approximately 50% of GDP¹. The developing countries though experienced slash in government expenditure, the downsizing is aid to be limited to 25% of GDP. As The Economist commented in a survey of the world economy- "Government everywhere has grown, and kept on growing... Big government, far from being dead, is flourishing mightily"².

The state retained substantial presence in the process of production and distribution though it was no longer the sole producer and distributor. It retained significant amount of control through various policy decisions like interest rate policy, taxation policy, giving directives regarding health and pollution standards and funding developmental projects et al. Thus, albeit loose, the state continued to retain control in various sectors. For e.g., in sectors like health and education, new mechanisms and procedures of management have been instituted which are more in line with market principles. Personnel have been trained according to the market and private sector principles and

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² Ibid
Attempts have also been made to institute market discipline in the working of these sectors.

Along with the considerable amount of control that the state continued to enjoy in various sectors, there has also been significant increase in the repressive powers of the state. Such catapult in the repressive authority of state has primarily been to deal with the opposition and resistance to the neo-liberal philosophy. Application of neo-liberal ideology also saw the increasing interference of the state in social service, which is outside the purview of free market.

**Neo-liberalism or Neo-liberal State vis-a-vis Higher Education**

Like all spheres of socio-political-economic and individual life, the idea of neo-liberalism ventured into the education sector as well, most significantly the higher education sector. Higher education started encountering crisis with the advent of 1970s. High rates of inflation, shrinking public budgets for education along with increasing student numbers, declining per student expenditures, and extremely inadequate investment in the quality of education gave rise to much tension. To cope up with the crisis, modern neo-liberal economic reform policies have been introduced in the beginning of 1980s in several developing countries in the form of stabilization and adjustment reform policies, associated with the International Monetary Fund and the World Bank. The underlying philosophy of these policies is that any aspect related to public sector is inefficient, and any aspect related to private sector is, *ipso facto*, efficient and desirable. All this led to the eclipse of Keynesianism in the mid-1970s, and gradually and reluctantly paved the way for the entry of market principles (Harvey, 2005).
The philosophy to restructure higher education in line with neo-liberal principles is based on the understanding that state cannot be an efficient allocator of services. However, the political state remains essential for developing a democratic and just order. The state therefore has to play the role of a mediator, and while doing so, it has to follow the principles of market. Accordingly, a reduced role of the State in education, more explicitly higher education, is promoted as an economically and educationally efficient proposal and it is argued that the role of the government should be confined broadly to the formulation of a coherent policy framework (e.g., World Bank, 1994). Within liberalism, state occupied an important position as far as supply of public goods and services, regulation of market failures, arbitration between competing social groups and classes were concerned. Education was a public good, and state provided education was also considered as the basis of liberal democracy as former provides the basis of informed choice necessary for a successful democracy (Mill, 1965, p. 45). State intervention was considered desirable to ensure that freedom becomes non-coercive (Green, 1988, p. 148). Liberalism facilitates the existence of a minimalist state with its own method of intervention- policy and planned approach and control and regulatory approach. Liberalism negates state in the sense that it is not allowed to become the dominant discourse.

The privatised model of higher education which is much more ingrained in the American psyche, promises to erase financial crisis and to improve efficiency, as against the failure of public education (Tilak, 2004). It concentrates on reducing the role of the government in higher education and creating a market for individual institutions to compete against each other. Its thrust is on non-governmental sources of funding, shift of management of higher education from state to individual institutions and
introduction of performance indicators to analyse the production of institutions. Just as it needs no further elaboration that neo-liberalism was much a result of World Bank prescriptions, its neo-liberal thrust on higher education can be understood from the following recommendation: “Tertiary education institutions and entire tertiary systems must become increasingly responsive to changes in the labour market. A diverse system that includes a strong set of private providers and autonomous public providers of tertiary education affords the necessary flexibility” (World Bank, 2002, p. 86). The thrust on a 'diverse system' of higher education refers to the World Bank's continuing drive to encourage a market in higher education, wherein universities compete against each other for government and private funding. The aim of introducing competition among higher education institutions is to increase the efficiency of education, and achieve higher rates of return on educational investment. The two important World Bank reports on higher education- Report on Financing Higher Education in Developing countries, 1986 and Higher Education- Lessons of Experience, 1994 clearly bring forth the privatised model of higher education along with the logic of reducing state subsidy. According to these reports, expenses on higher education should be reduced in order to expand primary education. The first report says- in view of the general economic catastrophe, majority of educational expenditure needs to be borne by the students. As the recipients of higher education are generally the well off students, subsidised higher education will be beneficial to them and not the needy poor people. The poor students cannot compete with the better off students. Therefore the public subsidy should be made available for primary education. Accordingly suggestions are made for increased fee, educational loan to students aspiring for higher education, converting higher education institutions into completely private institutions so that they can generate their
own revenue. It is suggested that the revenue of higher education should be incurred for expansion of primary education. ‘Higher Education: Lessons of Experience, 1994’ says-primary education accrues more social benefits than higher education. Developing countries like India should not increase expenditure on higher education; rather should cut it. Moreover, the government should emphasise more on designing institutes of general education, polytechnic, small professional courses or distant education course. The government should cut down its pressure by relying on private investment. These non-governmental institutions will have complete autonomy on matters related to student enrolment and fees, and the government at the most can only form some committee to control these matters. The policies of World Bank can be summarised in the following points- i. To control state expenditure on higher education, ii. To generate necessary expenditure from students and parents, iii. Loan for higher education, iv. Give autonomy to private institutions, v. To develop convenient environment for the growth of private institutions, vi. Generate funds after due analysis.

Neo-liberal proponents have argued that as long as the government provides such a high level of subsidies to higher education institutions they will not respond to the real needs of the market, and individuals and governments will continue making inappropriate and inefficient educational decision. The neo-liberal model of education for development necessarily requires the devolution of considerable administrative responsibility to institutions so that they can have more control over their product. At the same time, it also requires states to remain accountable for funding spent on higher education. This neo-liberal stand point however cannot be said to be the panacea of the ills of the higher education system in developing countries.
1.7 Review of Literature

Extensive amount of work has been carried out in understanding and analysing the issue of neo liberalism. Researchers of the developed world have been actively engaged in analysing the phenomenon of neo-liberalism and its consequent effect on various spheres of individual as well as public life. The relationship between neo-liberalism and higher education has also been addressed extensively both at the international and national level.

David Harvey in his book *A Brief History of Neoliberalism* (2007) basically tells about the origin of Neoliberalism and as to how the ideology has proliferated and become dominant both in thought and practice. He analyzes the political economic threats of neo-liberalism; and also designs a framework to lay out socially just alternatives of dangers of neo-liberalism.

*Neo liberalism's War on Higher Education by Henry A. Giroux* (2014) argues that the purpose and practice of higher education has come to be radically reshaped under the shadow of neoliberal policies and practices. He brings forth the play of corporate and market forces, and puts forth a course of action. He appeals to public intellectuals and all the concerned people to resist any corporatization of higher education so that the university can stand out as a site of critical learning and democratic purpose.

*The University, State, and Market: The Political Economy of Globalization in the Americas, edited by Robert A. Rhoads & Carlos Alberto Torres* (2005) discusses how globalization has changed the basic purpose of higher education. Stakeholders in higher education are increasingly attentive to the complex ties of universities, states and markets, particularly in the context of the growing influence of globalization. The neo-
liberal model of globalization clearly favours privatized and at times anti-democratic pursuits: “knowledge is reduced to its economic functions and contributes to the realization of individual economic utilities.” The authors focus on North and South American countries, and address the ways in which globalization has reoriented the basic purpose of universities from a commitment to public relevance, to knowledge as a commodity and the university as responsive primarily to consumers. They also discuss the consequences of this shift for university autonomy, the uses of knowledge itself, university and faculty attention to pressing social issues, and the public good. Education becomes another form of capital, and universities are expected to organize themselves and carry out their work according to “mercantile” logic.

The book “Education, State and Market: The Anatomy of Neoliberal Impact” (2014), edited by Ravi Kumar, narrates the connections between financial capitalism and changes in the education policies. The chapters have dealt with the impact of neo-liberal agenda on Indian education system and the shift from welfarism to neo-liberalism. The chapters have raised some serious questions concerning the effect of neo-liberal thought and principles over the education system as well as the larger societal system and relations; and also put forward effective mechanism to channel the resistance against the neo-liberal drive.

*Neo liberalism, Higher Education and the Knowledge Economy: From the Free Market to Knowledge Capitalism* by Mark Olssen & Michael A. Peters (2005)- this paper traces the links between neo-liberalism and globalization on the one hand, and neo-liberalism and the knowledge economy on the other. It maintains that in a global neo-liberal environment, the role of higher education for the economy is seen by governments as having greater importance to the extent that higher education has become the new star
ship in the policy fleet for governments around the world. Universities are seen as a key driver in the knowledge economy and as a consequence higher education institutions have been encouraged to develop links with industry and business in a series of new venture partnerships. The recognition of economic importance of higher education and the necessity for economic viability has seen initiatives to promote greater entrepreneurial skills as well as the development of new performative measures to enhance output and to establish and achieve targets. This paper attempts to document these trends at the level of both political philosophy and economic theory.

*Neo liberalism, Corporate Culture, and the Promise of Higher Education: The University as a Democratic Public Sphere* by Henry A. Giroux (2014) criticizes the whole aspect of Neo-liberalism and as to how it has converted the civic discourse in to a corporate discourse. Basing his study on the US, Giroux argues about the deleterious effect of corporate culture on higher education, and the stiff resistance of the faculty and students against such drive. He debates that along with privatization, commercialization and deregulation, the corporate culture has also made way for a self interested citizenry who is concerned only about making profit. He maintains that corporate culture overemphasises on market principles, and tends to ignore the principles of democracy and social justice et al. Consequently, Giroux argues, this leads to undermining the true purpose of higher education and the democratic ethos associated with it as well as the larger social life.

*Education and Neoliberal Globalization* by Carlos Alberto Torres (2009) is a compilation of eight of his essays on the topic. The book consists of 3 parts having 8 chapters in total. Torres criticises the neoliberal agenda and outlines the various ways in
which neoliberal globalization affects the education scenario. He also discusses the possible alternatives of neo-liberal globalization in his views. Reinforcing that education and politics are inseparable, Torres explains how neo-liberal globalization has redesigned higher education. The new model has emphasised on economic thought, positivism, and instrumental rationality, while completely ignoring aspects like humanistic education, critical perspectives and alternative models.

*Restructuring Higher Education in India* by Sudhanshu Bhushan (2009) analyzes the past developments in higher education supported by public investment, and as to why there has not been any significant qualitative shift. Bhushan outlines failures both at the levels of policy and practice. The book discusses the emerging issue of growing expansion of private providers and spontaneous closing down of public investment of higher education. The book also presents a critique of the neo-liberal agenda of reforms and attempts to provide solutions through institutional and academic reforms.

*Recalling the Forgotten: Education and Moral Quest* by Avijit Pathak (2013), puts forward a sound philosophical critique of neo-liberal education from a sociological point of view. Pathak puts forth strong grounded arguments against the neo-liberal stint of commodifying education. As the name of the book conveys, the author puts a lot of emphasis on the moral or ethical aspects of education. He criticises the neo-liberal fetish for markets and technology and urges the revival of true essence of education, that is, of transforming our consciousness, our faiths, beliefs along with societal transformation and a new world view.

*Higher Education in India: In Search of Equality, Quality and Quantity*, edited by Jandhyala B. G. Tilak (2013) has assembled twenty nine essays dealing with various
facets of Indian higher education. This book has dealt at large with various aspects concerning higher education, the role of the state, and also the critique of neo-liberal impact on higher education.

*Navigating the Labyrinth: Perspectives on India’s Higher Education, an edited work of renowned political scientists* Devesh Kapur and Pratap Bhanu Mehta (2017), is a collection of articles which deal with a range of issues and challenges that Indian higher education is confronted with. Kapur and Mehta base their argument on the hypothesis that Indian higher education is confronted with a dilemma of scale or size, costs and quality. They argue that the three variables cannot be achieved simultaneously; only two among the three can be pursued as variables while the third will be determined in the process. The argument put forward by Kapur and Mehta is that India has undergone ‘massification’ of higher education which is not supported by commensurate rise in budgetary allocation, resulting in compromised quality and increasing financial burden on the students. The inability of the state to deal with the challenges of expansion, cost and quality has also undermined its role of governance reform in improving quality. Combining different methodologies, the book put forth a host of issues facing Indian higher education ranging from a decline of a college in North Bihar, discussions of research university, different types of post secondary institutions, teaching colleges, initiatives like vocational training institutes, community colleges to deal with the issue of skill development to financing and governance of higher education in India.

Anil Sadagopal in his article “The Neo-liberal Assault on Higher Education System” (2013) in Michele Kelly and Deepika D’Souza edited “The World Bank in India: Undermining Sovereignty, Distorting Development” (2013), examines how the World Bank along with other international agencies has spelt adverse impact on Indian
educational policies and system. The chapter deals with an overall in depth analysis of the negative fallout of World Bank prescriptions for education. Madhu Prasad, in one of the three testimonies in the chapter, named “The Impact of World Bank on Higher Education”, emphasises the importance of expansion of higher education to be facilitated by public investment, and expresses concern to see increasing public disinvestment followed by greater private invasion. He points out the World Bank reports on the policy of higher education, and what are the changes that followed up. He argues that the World Bank strategies spell negative impact for the significant role of higher education, i.e., national development. He argues for universal education, and warns that higher education in India, if subjected to World bank and WTO directives, would not only be diverted from national conditions and environment, but would also undermine its prime responsibility of ensuring social good.

K N Panikkar in his article “India’s Education Policy: From National to Commercial” (2011) examines as to how India’s education policy has transformed from being national to commercial. The national education design was not entirely a replica of the colonial model, nor was it a continuation of the feudal tradition; rather it was built on progressive ideas of renaissance with the aim to liberate Indian minds from intellectual colonialism. But unfortunately what followed was a new education policy based on market principles, which has been laying its sole emphasis on making profit at the cost of public good. This new education policy is devoid of democratic values and a true understanding of education, and this has in turn seemed to again bring about intellectual and cultural imperialism.
Jandhyala B G Tilak also puts forth the changing orientation of Indian higher education policy in India, in his article “Higher Education Policy in India in Transition” (2012). Tilak opines that for decades, Indian government was seen emphasising only elementary education, with no real thrust on higher education. But it was followed by an opposite drive later on. The neoliberal agenda which started pinching the whole of economy and politics, also made ways into the higher education. In fact, the private force turned out to be the prime and major investor in higher education. But that obviously brought a wholesome change to the nature of Indian higher education- which came out to be a system driven by profit making market principles from being one guided by welfarist principles. But Tilak argues about the necessity and merit of higher education and opines as to how higher education is directly related to economic development, and thereby to ‘human capability’ and ‘human development’.

Jai Shankar Prasad in his unpublished MPhil dissertation “Changing Role of the State in Higher Education in India with Special Reference to Liberalisation” (2002) deals with how the drive for liberalisation and privatisation transformed the goals of equity and social justice in the Indian higher education system- goals that hold significance in developing countries. Prasad tries and analyses the issue in the context of the Indian society, nature of the education system with its paradoxes and inconsistencies, and the nature of the system. Prasad attempts to understand the role of a state caught in the dilemma of global and political forces and the larger societal goals. Situating the issue in the contextual framework, and taking inferences from the field, Prasad analyses as to what will be the effects of privatisation on the existing social stratification and the ideals of social justice and equality.
The researcher has carried out an extensive review of the existing literature on the topic under study. The researcher however realised a dearth of work and literature on the changing nature of higher education in the state much in line with the national policy design—which more or less is in line with the neoliberal policy design, after the adoption of economic policy reforms. The existing literature on the effect of neoliberalism on higher education has criticised the neoliberal agenda of education. Commenting on how higher education has a greater role in knowledge building and civilisational development, the existing research has highlighted the negative impact of the neoliberal policy on the higher education policy. With the help of the existing reviewed literature, the researcher has tried to understand the phenomenon at the local level, that is, in the context of the state of Assam.

1.8 Significance of the Study

With the rise of neo-liberal propaganda, the globe has witnessed growing influence of privatization in almost all sectors which have hitherto been regulated by the government. Consequently, education, which constitutes one of the most significant elements of human life and also that of state responsibility, has also come under the influence of privatization. In Assam also of late we have started noticing a move towards privatization of higher education, which of course have faced criticism from different quarters. However, there has not been any research to study this phenomenon of change, to examine government’s role and response in this matter, as well to assess the nature, extent and magnitude of privatization in higher education in the state of Assam. The intended study attempted to throw some light on this; identify the various aspects associated with it. Though extensive work has been carried out worldwide and
also at the national level to assess the correlation of neoliberal state and higher education as a tool of human development, the north eastern region as well as the state of Assam lack in studies that have endeavoured to delve into the phenomenon. This research work has tried to fill in the research gap in this part of the north eastern region and India.

1.9 Methodology

The study has adopted a qualitative and analytical approach. It is both theoretical and empirical in nature. While the theoretical aspect is dealt with by reviewing wide ranging literature on neo liberal state and higher education, the empirical part concerns the changing nature of higher education in the state. An attempt is made to apply theoretical underpinnings of higher education in the neo liberal era to what is being done in the higher education sector of the state of Assam.

The study has aimed to look at the effect of neo-liberalism on higher education at three levels- i. Policy, that is, the change in policy orientation regarding higher education in the pre and post liberalisation era, ii. Institutional, that is, the expansion of private institutions, and iii. Process level factors like course, curriculum, facilities, and other impacts. For this, the researcher has relied on both primary and secondary sources of data. The macro part of the study has been done with the help of the existing literature on the subject in the form of books, journals and articles, which has facilitated the contextualization of the problem, and the understanding of the phenomenon at the universal level. As for the micro part of the research, the researcher has tried to understand the phenomena at the local level with the help of analysing the policy initiatives, reports and primary data collected from the selected units of study. For this
purpose, the researcher has resorted to investigation of government policies, self study reports of universities, interviews as well as analysis of primary information and data.

To examine the impact at the procedural level, the researcher has adopted purposive sampling. Purposive sampling has been taken up so as to enable the researcher to distinctively address the research questions while collecting the primary data. It has also facilitated selection of samples with variety, so that sample members differ from each other in terms of key characteristics relevant to the research questions. With the help of purposive sampling, the researcher has taken up Gauhati University and Dibrugarh University as two most prominent state universities in Assam, as well as the private universities, with special focus on Assam Don Bosco University and Assam Down Town University as the earliest of the private universities with highest enrolment among the private universities. Data has been collected through questionnaire by selecting respondents through random sampling, the respondents basically consisting of students and teachers. The researcher has also collected data through interview schedules from respondents. Interview schedules with open ended questions have helped the researcher in understanding experiences and viewpoints of different stakeholders including administrative heads, students, teachers and student union leaders. The study is mostly a qualitative analysis supported by quantitative data wherever essential.

1.10 Chapterisation

The present research work has six chapters including the introductory and concluding chapters.
The introductory First Chapter deals with the basic problem of the study and outlines the theoretical framework of the study. The chapter also presents the objectives that guide the research work along with referring to research work that has developed till now in this area of study. While outlining the significance of the study, this chapter intends to highlight the absence of studies of this nature, i.e. to see the nature of higher education in a neo-liberal state and to understand the response of the government, especially in the north eastern region and the state of Assam.

The Second Chapter outlines the relationship between neo-liberal state and higher education. The theoretical exploration begins with a basic understanding of the state-education relationship with three broad sociological approaches of liberal- pluralism, functionalism and Marxism and Neo Marxism. The chapter outlines the origin and the concept of the idea of neo-liberalism and consolidation of the neo-liberal state. The chapter attempts to draw the origin and development of the phenomenon of neo-liberalism and theorise the nature of state under a neo-liberal regime. It also explores the relationship between neo-liberal state and the system of higher education as well as tries to bring out the various dimensions of the changing relationship between the state and higher education on account of the change in the nature of the state in a neo-liberal paradigm. While exploring the academic developments on the nature of neo-liberal state and the system of higher education in such a state, the chapter has also attempted to outline the newer dimensions of higher education under a neo-liberal regime. The chapter also argues how India higher education system under the SAP has given way to privatisation, commercialisation of higher education and has created a dual education system, which implies coming up of two systems of education- one the public poorly funded low quality education serving the majority and public subsidised or private
funded superior education catering to a very narrow and concentrated segment of population; and the other process being the phenomenon of increasing private investment with newer mechanisms of efficiency and cost recovery measures, educational loans etc. It is understood in the chapter that such an education system is tantamount to an inequitable education system where the accessibility to education system is determined by the ability to pay.

The Third Chapter comprehensively outlines the trajectory of higher education in India in terms of the policies of the Indian government. It explores the changed orientation of higher education policies in India under a neo-liberal regime from what was the vision of higher education on the eve of independence. The chapter examines that while higher education was believed to constitute a prime instrument of social justice and social emancipation in the immediate post-independence period and the state was assigned the responsibility of providing the opportunity to all the aspirants, policy imperatives regarding higher education in the post-liberalisation era witnessed a move towards deregulation, privatisation, cost recovery measures - thereby bringing about a shift in the nature and governance of higher education in the country.

The Fourth Chapter outlines the trajectory of higher education in the state of Assam and the issues and challenges in the sector. An attempt is made in the chapter to trace the evolution of higher education in Assam since the early post independence period to present times. By outlining the overall present picture of higher education in the state, the chapter depicts how the nature of higher education has undergone a change in the state in similar lines with the nation, particularly with the full fledged introduction of privatised higher education. The chapter has also put light on the status and role of the
government in public higher education system, and analysed newly emerging facets of the government’s position.

The Fifth Chapter deals with the empirical part of this study. The chapter particularly attempts to understand and analyse the various dimensions of privatised higher education. An attempt is made to empirically analyse the consequences of private higher education in terms of equity and social justice by taking inferences drawn from the field. The nature and role of private higher education in the state is analysed with the help of primary data collected from different stakeholders through questionnaire and interview schedule. The chapter also provides a brief comparative account of public and private institutions of higher education with regard to various aspects of higher education. The questions raised in the first chapter are addressed in this chapter with the primary as well as secondary data guided by the theoretical framework adopted at the outset.

The concluding Sixth Chapter of the present work outlines the summary of the research findings. The findings are inferred from the analysis and understanding of the preceding chapters. Apart from outlining the summary of the research work, the concluding chapter also underlines the importance of finding out and discovering viable alternatives to the current system and probable remedies for the betterment of the same.