CHAPTER -9
RECENT SIGNIFICANT DEVELOPMENT IN SELF-FINANCING EDUCATIONAL INSTITUTIONS
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There has been a tremendous increase in the number of Self Financing educational institutions in India. They have been multiplying at a very fast rate and thus have outnumbered the Government institutions, but the concern is whether they are able to meet the required standards and meet the demands of the Indian youth.

Establishment of Private Universities has been a major milestone in the field of higher education in India. Private Universities is a new concept where self financed private universities can be established by private players without financial assistance from the State. A number of private universities have been established in various States as also Central Govt. of India has granted Deemed University status to a number of educational institutions. In this era of liberalization and global education, it is germane to attract, encourage and promote the private sector investment in the realm of Higher Education and lay the legislative pathway to establish and incorporate private self-financing Universities in India. It is the right time to develop and implement a progressive framework that provides for opportunities to deserving private institutions and educational promoters, with relevant and sufficient experience and exposure in the field of higher education, so as to contribute towards the expansion of higher education and research.

It has been observed that a Private University can be established by the concerned State in exercise of its sovereign powers which will necessarily be through a legislative enactment. This means that a Private State University can only be established by a separate Act or by one compendious Act where the legislature specifically provides for establishment of the said University (para 38, 39 of the Judgement).

Before we proceed with the details, we would like to bring following facts to your notice:-

a. There are 58 Private Universities in India which are competent to award degrees as specified by UGC under Section 2f of the UGC Act with the approval of UGC and
the statutory councils, wherever required through their main campus. Wherever the approval of the statutory council is not a pre-requisite to start a programme, the Universities are required to maintain the minimum standards regarding academic and physical infrastructure as laid down by the concerned statutory council.

b. The University is required to follow the regulations and guidelines put forth by UGC for Private Universities (2003, 2010). The standards for quality of programmes and degrees awarded are regulated by UGC. The UGC has in its authority to inspect, recommend improvement and in special cases intervene to disqualify the operations of the Private University through the State Government.

c. The basic feature of a Private University is that it is unitary in nature and cannot affiliate an institution/college. It can establish off campus centre(s) and off-shore centers subject to certain conditions including number of years of existence with prior approval of State Government and concurrence of UGC. Distance Education courses can be started by the Private University only after the prior approval of the Distance Education Council (DEC) and concurrence of the State Government.

9.1 PRIVATIZATION OF HIGHER EDUCATION IN INDIA: CHALLENGES OF SOCIAL EQUALITY

Introduction

One of the emerging challenges of privatization of higher education, certainly, will be the question of how higher learning being a scarce resource to be judiciously distributed to set the tune of democratic practice in a traditionally hierarchical society like India. True, educational domain in general, higher learning in particular will be meaningless unless educational processes have filtered through desirable levels of democratic values. No doubt, democratic ethos is central to the way the education system is organized and pedagogy is practiced and knowledge system is evolved. However, given the peculiarities of material dimensions to the caste system in Indian society in terms of appropriating developmental opportunities, as empirical studies show socio-cultural backwardness falls back on to determine higher education as well
Nonetheless to mention, globally too, socially unequal have not been benefited, despite the fact that many policies envisaged to include increasing democratization, in other words, would gradually change elite domination in higher education and the system of pedagogy and knowledge can be more inclusive and egalitarian so that it can accommodate diversities. True, for the marginalized, higher learning will open up certain desirable, but multiple mobility patterns. To begin with it would transcend their deprived socio-cultural conditions that are historically been constructed and reconstructed with set of exclusive practices. Secondly, it allows them to change their traditional occupations to secular occupation and argues that, perhaps, the poor among the historically underprivileged social groups are left out of the educational system after the schooling and only economically better off amongst them are able to join higher education.

Finally, above all, a new culture of modernity can be visualized. However, the issues social justice will be a challenging question and worry some in the institutions of higher learning, once its governing orderings shift over to the private agencies and to the global competitive players.

Scholarship on the questions of higher education shows that there has been a continuous elite domination on the one hand and perpetual marginalization on the other, over the accessibility of this scarce resource. Gradual departure of policies on education from the fundamental principle of social justice to privatization requires new theoretical explanations and their ideological positions as higher learning being treated as a private-meritorious good, than a public good. To foreground the intricacies in the changing domain, we focus on the following critical questions. To begin with, the structure of political economy of education today has been undergoing tremendous change. Admitting this fact, whether policy judgments towards massive privatization along with opening up of foreign direct investment in higher education, sustains the democratic practices in the pedagogy? Secondly, are essentially these mushrooming private educational institutions to be private in totality? In corollary to that, what are the politics behind naming them as private since the entire cost of education is born from the public by imposing different kind of fees including governmental concessions? In such a condition, finally, can we imagine inclusive, participatory, and diverse critical thought in the emerging private education system as
the inclusive strategies are being central to the ongoing growth model of the political economy.

**Political Economy of Higher Education**

Higher education has been an effective investment for both individual mobility and social development. As its returns are expected to be positive and high returns, investment in higher education can easily be justified. Based on these estimates, further investment will be attracted in the domain of higher education. It is in this logic, the political economy of higher education has logically been rationalized in our times both in terms of demand and market. However, one cannot shy away from the consequence of higher education for instance, alarming rate of unemployment, social unrest, slow economic growth and economic disparities. To normalize this pervasive situation, careful policies in education, perhaps, is effective tool. **With one set of policies, particularly on the questions of financing higher education becomes all the more important. Developing nations like India, with escalating cost on the one hand and increasing needs on the other, same question arises on how to finance higher education effectively.** The implicit logic behind, however, was to slash down public investment in higher education, so as to expand.

This can be substantially rationalized with the rate of return from the investment. In higher education, although India made huge investment, its returns have not been impressive. It has been projected that private returns are higher than social returns from higher education. However, critical evaluation on the impact of education since independence would show that only a section of elite groups benefited, contradictory to the fact that a huge subsidization was made at the cost of the poor. Privatization, being alternative to pool resources for higher education, will ultimately keep the state outside of its public exchequer and accountability. However, its process becomes much complex, when the domestic economy gets integrated with global economy.