

Education – A Decisive Push from State to Market

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Abstract: India has a rich tradition of philanthropy in the field of education and a number of individuals and organizations have made significant contributions to spread education and prevented many people from being pushed to the margins. The present private enterprise in education is qualitatively different from the private participation of earlier times and is primarily profit driven. The state policies are also encouraging more and more private entities to invest in secondary and higher education. The 12th plan argues that the private participation in education will solve the issues of access, equity and quality. This paper examines the issue and explains the manner in which the measures of attracting private investment in education shall be of little help in solving the problem of low access and on the other hand aggravate the challenges of equity.

Keywords: Education, Private, Access and Equity, Market, For profit institutions, Commercialization of education, Philanthropy.

I. INTRODUCTION

History of the mankind repeatedly throws up convincing evidences that prompt us to believe that route to emancipation of the human beings essentially passes through their education and also that there have been no scope and space for bypasses in this journey. A deep look into the making of modern world and assessing the nature and spread of intellectual, scientific and technological advancement, brings forth the incontrovertible conclusion that education, in one way or the other, stood as the basic ingredient of all this. The humans and the society grow, develop and live in peace and prosperity by virtue of education they receive. It was true yesterday and is truer today.

All the developed nations have recognised the significance of education and have accorded priority in ensuring education for all the inhabitants. In order to realize the dream of universalising the spread of education in all the developing and lesser developed countries of the world, a conference on the theme of 'Education for All' was organized in year 2000- at Dakar, Senegal. Representatives from all the participating nations expressed commitment to work seriously for the achieving the goal of universal education at the initial levels in their respective countries. India manifested its resolve by effecting a constitutional amendment where free and compulsory education for all the children in the age group of 6 to 14 years was made a fundamental right of the children in 2002. Though delayed by seven years, a Right to Free and Compulsory Education Act -2009 was brought and made operative since April 2010. Both these steps can be viewed as important landmarks in the contemporary history of education in India.

It would not be fair to gather the impression that the developing nations could fathom the need and urgency of education only after international community of the developed nations made them to do so. India has a rich tradition of philanthropy in the field of education. It is important to recall that many organizations and individuals, disappointed with the kind of education being provided in British colonial rule in India, made efforts to build an alternative national system of education by establishing own

educational institutions. These were purely non-governmental ventures funded and sustained by the support of public. The contribution of these institutions can be measured on two counts-developing thinking minds and resurrecting sense of national pride among the students-both being the powerful ingredients of freedom movement. These benign ventures not only carried on after the Indian independence from foreign yoke rather expanded further to align with the state efforts in achieving the goal of spreading education to larger number of people who otherwise were left out and were still vulnerable enough to be pushed to the margins permanently.

II. PRIVATISATION OF EDUCATION AND ACCESS AND EQUITY

Relatively liberal policy of spending more on education in comparison to what was spent during British rule, though by any standards which could not be considered as sufficient, continued till mid eighties. It was followed by a period when the further increase in state expenditure on education was put on hold resulting into a marginal expansion and up-gradation of educational institutions. The development appeared to be paradoxical in the context of rising demand for education in the country. It would not be misplaced to argue that the continued restricted flow of funds in education is the result of the overall well defined state policy of economic liberalization being pursued as a result of mutually agreed upon international treaties at World Trade Organization (WTO). Education is one of the 12 services identified under trade regime in the General Agreement on Trade in Services (GATS). World Bank and International Monetary fund are important part of this mechanism. These international organizations offer advice to the ailing economies of the world and put conditionalities on the nations seeking help. There are evidences to suggest that many a times the countries following the advice instead of overcoming the financial crises sank deeper into the mess. Stiglitz in his book 'Globalization and its Discontents' observed a more serious phenomenon and writes that, "...those who labored in the

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developing countries knew that something was wrong when they saw financial crises becoming more commonplace and the numbers of poor increasing. But they had no way to change the rules or to influence the international financial institutions that wrote them. Those who valued democratic processes saw how 'conditionality'-the conditions that international lenders imposed in return for their assistance-undermined national sovereignty" (Stiglitz 2002:9).

The mutual agreements effected in WTO are based on three principal components, viz, fiscal austerity, privatization and market liberalization. The state is required to reduce the expenditure or at least virtually freeze the percentage of gross development product spent on education. Since 1991, with a little fluctuation, the public expenditure on education has more or less remained constant and has never crossed three to four percent of the gross domestic product (GDP) which is quite below the recommended and accepted norm of spending six percent of GDP on education.

Table 1 presents the ratio of GDP spent on education since 1990-91.

Table1: Percentage of GDP Spent on Different Levels of Education

Level	1990-91	1999-2000	2001-02	2003-04	2004-05	2005-06	2006-07	2007-08
Elementary Education	1.6	1.6	1.7	1.3	1.4	1.6	1.7	1.7
Secondary Education	1.1	0.9	1.0	0.8	0.9	0.9	0.9	0.9
Higher Education	0.4	0.5	0.4	0.3	0.3	0.7	0.7	0.7
Total	3.1	3.0	3.1	2.4	2.5	3.2	3.3	3.3

Source: India Human Development Report-2011, Planning Commission, Government of India

The absence of availability of sufficient state funding and growing aspirations among the people to be educated built a natural environment for non-state funding to enter in the field of education. The nature of private participation in education during this period has qualitatively changed. It differs from the private enterprise participation of earlier phase which was driven by the philanthropic considerations. The profit has become the prime motive behind private entities to enter the arena of education. It looks more like a trade and nowhere resembles service. Panikkar writes that "now unlike in the past the private educational enterprise is primarily a field of investment for profit. Private education, therefore, has become a synonym for commercialization (Panikkar 2011: 41). The state appears eager to facilitate the entry of private entrepreneurs at secondary and higher education stage by relaxing or, if possible, removing the restrictions which were imposed with a view to regulate the process. It becomes obvious with the Twelfth Five Year Plan document stating that: " the role of the private sector in secondary schooling can be further strengthened through right policies, proper regulation, innovative public-private partnerships and a variety of demand-side financing measures that improve accountability and enhance parental choice, thereby achieving all the three objectives of access, quality and equity in secondary education"(Government of India 2013: 73).

The Twelfth plan document believes that the problem of reaching out to those children who discontinue their studies after completing class VIII leading to dismal levels of GER at secondary stage can be resolved by encouraging private players to come forward and shoulder the responsibility. A slew of measures have been recommended to make it commercially viable for the private individuals and groups to open and run educational institutions. The state governments have been advised to ease the entry barriers, dismantle the multiple licensing systems and procedures in place, revisit the old norms including land requirements for opening new institutions and establish a single window system to screen and clear applications for new schools faster. It recommends adopting suitable taxation and land policies to encourage expansion of secondary schools in the private sector and offering concessional loans to non-governmental organizations, trusts and registered societies for building new schools or improving the infrastructure of existing schools. The commission indicates towards large open spaces lying in the government schools, especially in rural areas, and laments these spaces being underutilized and old school buildings crying for repairs. It does not underscore the point that governments rarely provided any money for up gradation and new constructions. The large open land spaces were not the luxury but avenues for physical fitness and sports preparedness of the children. The planning commission takes another view and recommends that some of these open land areas be evaluated and leased out to private schools. The private schools should be under contractual obligation to reconstruct the existing governmental school building and the government school children should have an access to the facilities that the private school is providing to its students free of cost.

The proposal of leasing open land area lying in rural government schools raises questions. It is not simply an issue of optimal financial management and sharing of resources. It emanates from a basic premise that governmental effort in providing education is substandard as compared to the services provided by private. It also brings into many contentious issues of land ownership especially when the cost of the land has spirally escalated. The governments' policy says it in so many words that passage for private sector into education is to be smoothed, in that case, shall it be feasible to protect the rights of children accorded to them by virtue of whatever contractual agreements are made. One cannot rule out the possibility of the children from governmental schools being treated as un welcome intruders in an alien environment of a private school working in the same campus. Hope we agree that the children from government schools should have the dignified option of having all the facilities at their own schools. The whole set of recommendations appears to be indicating that government shall have minimum possible role in the educational venture and entire government system will help the private system to grow and face minimal difficulties in running the business of education. It would be like private being nurtured out of public funds.

The plan document appreciates the burden of cost of education that private schools will put on the parents and understands that the system completely managed by private

players “would cater only to the population which can pay, unless there is a policy of cross subsidization of fees so that certain percentage of children of children from the poorer sections of the society can also be accommodated for free and subsidized tuition fees” (ibid 73). Ironically the way out it suggests is more disquieting as it defies the principle of social justice to all. If cross subsidization of fees and other measures are only to benefit “a certain percentage’ of children from poor families, the fate of other poor children can be guessed well as by own admission of the plan document they will not be able to pay and so shall remain excluded or will have to be content with whatever educational facilities they have an access to. The fee structure differential in private and governmental institutions is not small which includes private expenditure as well. The plan document records that the “average private expenditure on secondary education in private schools is as high as Rs. 893 per month as compared to only Rs. 275 per month in government schools” (ibid 70). With the cost of education further rising and state intervention in providing education declining, the parental choice would get restricted rather than getting enhanced which is contrary to the understanding projected by the plan document. The choices do not depend upon the availability of service alone but also upon the capability to avail the service. The general economic prosperity levels of the people are worrisome and thus the choices become limited.

There is another recommendation of opening of 6,000 exemplar model schools. Out of these 3,500 schools shall be opened by the state in educationally backward blocks of the country. The rest of 2,500 schools shall be opened in public private participation mode in non- educationally backward blocks. The Report of the Working Group on Private Sector Participation including Public Private Participation in School Education (2011) set up by Ministry of Human Resource Development for 12th five year plan gives the details of the scheme. Each school will be allowed to admit maximum of 2,500 students and 1,000 students would be from economically deprived sections of the society. Fifty percent of these shall be schedule caste/ schedule tribe/girls and below poverty line students and required to pay only Rs 25 as fee and rest of the sponsored students shall be required to pay the fee of Rs 50. The government will sponsor these students. The report recommended that “the private-partner may charge appropriate fee from the students under management quota” (Ministry of Human Resource Development 2011: 56). It implies that private managements shall be free to charge any amount of fee from the rest of 1,500 students. The free hand given by the government to private management of the school to fix any amount of fee from 60% of the enrolled students seems arbitrary. It would be akin to taxing one type of students to bear the cost of education of other students and is fraught with the danger of creating distances and disharmony among the fellow students. The policy of private public partnership is going to further the interests of private enterprises with the help of public subsidy. Such situations are best avoided and issues of equity and social justice need to be handled with more sensitivity.

III. PROFIT MOTIVE AND EDUCATION

The individuals, organizations and trusts desirous of

establishing educational institutions were used to be under oath that they would not earn profits out of such institutions. They were supposed to open the institutions with a motive of service and spend maximum they earn on the betterment of the institution itself. Gradually the profit motive overpowered majority of the private establishments working at school and higher education levels and the condition of being non-profit trusts begun getting ignored. The twelfth five year plan taking cognizance of the situation recommended that, “... for -profit entities are not permitted in higher education and the non-profit or philanthropy driven institutions are unable to scale-up enough to bridge the demand-supply gap in higher education. Therefore, the ‘not-for-profit status in higher education should, perhaps be re-examined for pragmatic considerations so as to allow the entry of for-profit institutions in select areas where acute shortages persist” (Government of India 2013:100).

The suggestion of pragmatic considerations refers to virtual withdrawal of the not for profit condition. The acute shortages exist in the regions which are economically, socially and geographically backward. It is difficult to imagine that the market-oriented profit driven trusts will show any inclination to go to the areas which are commercially not viable for them and address the shortages.

The plan proposes many innovative pro business ideas to infuse more financial resources into the non-for-profit higher education which have the potential to completely change the face of traditional higher education. One is “enabling liberal financing options for the sector , like allowing private institutions to raise funds through public offerings of bonds or shares” and second is “ giving priority recognition to the sector , like providing it ‘ infrastructure’ status with similar financial and tax treatment.” Both the proposals are outright efforts to make the educational institutions to behave and work like any other business enterprise or corporate. As observed by Bhushan, such steps shall “make education more lucrative from the point of attracting investment but it would be leading higher education towards commercialization and the implications for this would be damaging” (Bhushan 2013:18) Adding to this are the recommendations regarding institutional fee structure. It is counseled that the low fees in the institutions are not maintainable, rather ‘regressive and often tends to benefit the better-off students’. It further advocates provision of flexibility for the private institutions with regards to “fee fixation which should be accompanied with transparency and provision of credible information about quality and fee levels to potential students” (Government of India 2013:120). There is little evidence to show that the profit hunting private enterprise in education has ever lent full ears to such pleadings. The fee fixation has largely been arbitrary in nature and the potential students seldom have an access to the real fee structure of such institutions in advance before they plan to get admissions.

These measures shall be adopted at the cost of excluding those young children from the ambit of education who belong to the families incapable of paying exorbitant fees. Such initiatives are not in tune with the overall sentiment of inclusion which apparently seems to be the fundamental concern of the policy planners.

IV. CONCLUSIONS

To conclude it is worth noting that secondary and higher education in India, as the result of policy decisions arrived in the country since 1991, is largely being handed over to the private and corporate sector with a faith that it would help in achieving the objectives of access, equity and quality. Though earlier it was done reluctantly but now as Tilak observes that “the policies at present are being formulated out of a conviction that privatization is good in itself.” He further argues that ‘.....a big non-violent shift has taken place-from policy of welfare-statism in higher education to a market-based approach to higher education” (Tilak 2014:33)

Open arms invitation to private sector to establish educational institutions may deal with the challenge of access and that too in a limited manner but the objectives of equity and social justice are going to be causality in all probability. The basic character of the institutions shall be driven far from the centers of learning and generation of knowledge for humanity. These changes would further push the poor to the periphery and leave them at the mercy of kind donors for their education. It does not gel with the constitutional provision of equality, social and economic justice and dignity of the individual.

V. REFERENCES

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