Journal of Socio-Educational & Cultural Research
International Journal of Arts & Social Sciences
Peer Reviewed Refereed Journal
Published by Srijan Research Foundation, Varanasi India
Vol.12, N. 27, October-December 2026,
DOI: https://doi.org/10.68868/14Js15aK29
www.jsecrjournal.in

The Growing Impact of Privatization in Higher Education: A Contemporary Study in the Indian Context

Prof. Alok Kumar Kashyap
Department of Sociology, Maharaj Balwant Singh P.G College
Gangapur , Varanasi, U.P. India
Orcid id: https://orcid.org/0009-0009-5554-587X

Dr. Durgesh Kumar Pandey
Department of Sociology, Maharaj Balwant Singh P.G College
Gangapur , Varanasi, U.P. India

Abstract
Higher education in India is the foundation of the character of society and the nation, its culture, civilization, art and skills, and all its relationships. Through education, the elevation and excellence of human life become possible. If the large number of institutions established in the country for higher and technical education provide appropriate accessibility, equality, inclusion and quality education, qualified human-resource capital can certainly be developed and skilled young people can be prepared according to future demand. The Indian higher-education system is becoming increasingly expensive. Education is being provided through both funded and self-financed institutions. The burden of education is increasingly being placed on ordinary citizens by the state. Self-financed institutions charge fees according to their own practices, and students who are unable to pay are subjected to various difficulties. In the absence of money, even good students discontinue their studies. India is a country of villages, and this must always be kept in mind while formulating education policy. This research paper presents a critical discussion of the privatization of higher education in India.

Keywords: Resources, Privatization, Higher Education, Self-financed.

Introduction

After independence, India made significant progress in the field of higher education. Before independence, there were only a few universities in India. The National Knowledge Commission headed by Sam Pitroda reported in 2007 that at least 4,500 universities and 35,000 colleges were needed to educate all the young people of India, whereas the country had only

about 400 universities and 22,000 colleges, combining private and government institutions. According to the Commission's assessment, the country required many more universities and colleges. These institutions provide education in science, arts, commerce, technology, medicine, management, teacher education and many other professionally important courses in 22 languages. Around 8.5 million students enter these institutions every year. However, considering India's population, this number cannot be regarded as sufficient. Moreover, the quality and practical relevance of the education received by many students do not adequately address the problem of educated unemployment.

According to Naresh Kumar (1999), the present education system has not proved useful for a large proportion of students. Resources need to be mobilized to improve the quality of education. Along with increasing expenditure on education in the budget, attention should be paid to changes in teachers' attitudes, enhancement of subject knowledge, continuous supervision and systems of evaluation. For qualitative development in education, standards should be fixed for an objective assessment of teachers' performance in accordance with local conditions, and teachers should also be held accountable for examination results.

For several years, the government has been focusing more on primary education than on higher education. Consequently, a severe shortage of resources required for higher education is being felt. In the context of the Yashpal Committee, a committee was constituted to examine the standards of universities. Thereafter, the rapid expansion of the private education sector began to receive greater scrutiny. The source discusses deemed universities and the recommendations of the Tandon Committee concerning their standards and recognition.

Particularly from the Sixth Five-Year Plan onward, substantial reductions were made in planned expenditure on higher education. Although expenditure on higher education increased in the Seventh Plan compared with the preceding plan, its share of total education expenditure remained limited. The Eighth and Ninth Plans also reflected changing allocations for higher education. Past experience indicates that the budget allocated by the government for higher education has generally been inadequate. Although the formal process of privatization became more visible later, signs of a change in government thinking about financing higher education were visible from the 1980s. The National Policy on Education, 1986, contained provisions emphasizing resource mobilization, maintenance of institutions and increases in fees.

Around the same period, the World Bank published a report on patterns of expenditure on education in developing countries and suggested that, in view of limited economic resources, developing countries should attempt to place a larger share of educational expenditure on parents. With the beginning of the liberalization process in India in 1991, its direct impact on higher education became visible. Higher education increasingly began to be shaped in accordance with ideas associated with the World Bank. During this period, reductions were made in the higher-education budget and universities were encouraged to become financially self-reliant.

A high-level committee constituted under the University Grants Commission also expressed the view that a society struggling with poverty and inequality could not indefinitely subsidize expenditure in universities while allowing affluent sections to avoid paying for higher education. It therefore argued that a substantial share of the actual cost of higher education

should be recovered from those who use it. The paper interprets this position as a clear indication of support for greater privatization of higher education.

World Bank Perspective

The World Bank also published a report concerning Indian higher education and lessons derived from international experience. The report argued that, in developing countries that had not yet achieved adequate quality, equality and access in primary and secondary education, higher education should not claim priority over limited public resources. The reasoning was that the social return from investment in primary and secondary education is generally greater than that from investment in higher education. Another World Bank report suggested redirecting subsidies from secondary and higher education toward primary education so that access to quality primary education could be broadened and public expenditure could benefit poorer sections more directly. Several other committees also recommended reducing government expenditure on higher education. As a result, universities were encouraged to mobilize internal resources and the higher-education sector was increasingly opened to private participation.

Expansion of Higher Education and Skill Requirements

The capacity created for higher education in different disciplines has not kept pace with population growth and the conditions of primary schooling. At the beginning of the 1990s, the number of children born each year had risen to about 24 million. If India was to compete with developed countries such as the United States, Japan and China, a substantial proportion of these children would need access to college education. The paper therefore emphasizes the need for a much larger number of college seats and for substantial public and private investment. Without timely expansion and investment, India's large young population could remain under-educated. The curriculum also needs to be updated according to changing requirements, with talented scholars, thinkers and subject specialists involved in curriculum development.

Unbalanced development in some areas of higher education has also become a major concern. For example, in view of the heavy investment required in infrastructure sectors such as construction, electricity, telecommunications and manufacturing, India would need a large number of engineers. The paper notes that although a large number of engineering seats are available annually, many are concentrated in information technology, while relatively fewer seats are available in civil, materials, biomedical and industrial engineering.

Ambani–Birla Report

The Ambani–Birla report was submitted to the government on 24 April 2000. It was prepared by Mukesh Ambani and Kumar Mangalam Birla with reference to India's educational requirements. Prepared under the title “A Policy Framework for Reforms in Education,” the report projected future educational demand and estimated the additional institutions and investment required in both the public and private sectors. It argued that the government would not be able to bear the entire financial burden of expanding higher education and therefore proposed limiting the share of government investment and allowing a larger role for the private sector.

The paper argues that such a shift could restrict access to higher education primarily to economically stronger sections of society. Although government-backed educational loans were suggested for poor and middle-class students, the paper questions their practical

usefulness because students may be unwilling or unable to take on large debts, especially when employment after graduation is not guaranteed.

Major Suggestions of the Ambani–Birla Report

1. Allow direct foreign investment in education, initially limiting it to science and technical education.
2. Encourage the admission of foreign students to Indian universities and institutions and initially establish international schools in institutions of international reputation.
3. Build consensus among political parties to remain away from universities and educational institutions.
4. Promote research in every field at the undergraduate level and above.
5. Free the economy from excessive controls so that a market for education can develop.
6. Reduce financial assistance to universities and encourage them toward self-reliance.
7. Limit the government's role in higher education to supporting institutions, providing funds, giving financial guarantees for student loans, ensuring some uniformity in curricula and quality, and preparing educational development plans.
8. Make the curricula and facilities of educational institutions contemporary and market-oriented.
9. Conduct national-level entrance examinations for professional courses and use the marks obtained as a basis for transfer between institutions.
10. Provide continuous training for teachers and establish measures for quality development.
11. Have universities, colleges, institutions and schools periodically rated by independent agencies and determine their standards accordingly.
12. Give institutions receiving little or no government assistance greater freedom in administration and curriculum selection.
13. Enact legislation to enable the establishment of new private universities for science, technology, management and financial studies.

Discussion of the Report

The central thrust of the report is that the government should have a major role at the primary level of education but a much smaller role at the higher-education level. It argues that those who use higher education should bear its cost and openly advocates greater privatization. It recommends legislation for opening universities in the private sector, provisions for educational loans and scholarships, and an agency for recovery of educational loans. It also recommends allowing foreign investment in higher education and conducting all-India entrance examinations for admission to higher-education institutions.

The paper notes that the government subsequently began implementing some of these recommendations in practice. Educational loans through banks were announced for meritorious students, with arrangements for loans at concessional rates for higher education in India and abroad. Public-sector banks subsequently began providing such loans.

The paper further argues that deserving and meritorious students from poorer sections should receive concessions in fees and that admission should be based on merit. It recommends a

centralized mechanism for selecting qualified teachers in private institutions, maintenance of an appropriate teacher-student ratio, and regular monitoring by the government or the concerned university to assess the effectiveness of courses and teaching.

Conclusion

It may be concluded that traditional institutions today suffer from problems such as lack of direction, inadequate planning, outdated curricula, groupism, favoritism in appointments and misuse of financial resources. At the same time, some private institutions are being operated more like commercial enterprises, with emphasis on investment returns, revenue generation, business and profit. Thus, shortcomings exist in both sectors. Higher education can be given an appropriate direction only by addressing these deficiencies in both traditional public institutions and private institutions.

References

- Kurukshetra, September 2010, p. 5.
- Kumar, Naresh (1999), Shiksha Ki Avashyaktaen, Vikram Prakashan, pp. 87, 89.
- Kurukshetra, September 2010, p. 5.
- National Policy on Education, 1986.
- Chaudhary, M. P., Bharat Mein Uchch Shiksha Aur Samasyaen, Granth Shilpi Prakashan, New Delhi, p. 38.
- Shiksha Ka Adhikar, edited by Dr. Chandrabhushan Pathak, Anubhav Publishing House, Allahabad, p. 229.
- Dainik Jagran, 31 October 2012, p. 10.
- Agnihotri, Ravindra (2006), Adhunik Bharatiya Shiksha Ki Samasyaen Aur Samadhan, Rajasthan Hindi Granth Akademi, Jaipur.
- Adawal, S. B. and M. Uniyal (1982), Bharatiya Shiksha Ki Samasyaen Tatha Pravrittiyan, Uttar Pradesh Hindi Granth Akademi, Lucknow.
- Rai, U. P., & Kashyap, A. K. (2026). Efforts and Evaluative Assessment of Informal Labor Reforms in Rural India: A Critical Review. International Journal for Research Trends and Innovation, 11(10), IJRTI2610380.
- Gupta, J., & Pandey, D. K. (2026). Role of self-help groups in women empowerment. The Opinion: International Journal of Arts & Social Sciences, 15(28), 44–49. https://doi.org/10.5281/zenodo.23135727

- Agnihotri, A. (2026). The relevance of the Śrīmad Bhagavad Gītā in resolving contemporary life crises: A study. *Journal of Socio-Educational & Cultural Research: International Journal of Arts & Social Sciences, 12*(26), 101–108. https://doi.org/10.5281/zenodo.22775238