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## Privatisation as An Educational Sector Reform In India

Jagriti Kalita<sup>1</sup>

<sup>1</sup>Postgraduate student, Department of Sociology, IGNOU

Email: kalitajagriti@gmail.com

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### ABSTRACT

The privatization of education brings up the issue with regards to what degree the public functions of education are undermined if schools are given to privately owned businesses rather than the state. Market failure involves the hazard that education may never again be given at a palatable level, and that imbalances could increment immensely if just the privileged sections can bear the cost of good education. Others, be that as it may, would contend that a solid state funded educational framework must be a precondition for social equity. Deregulation as privatization and institutional autonomy in educational sector are impetuses for social disparities while centralised education is regarded to inhibit the legacy of educational opportunities over generations. The following paper deals the debate on privatising educational sector of India in great detail.

**Keywords:** privatization, education, market, efficiency, cost-benefit

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### INTRODUCTION

Privatization involves the transfer of assets, management, functions or responsibilities previously owned or carried out by the State to private actors. Privatization is projected as a way of decreasing the reliance on governments in the delivery of services mainly because the governments are unable to meet the costs of the services sought by the general public, or because they are ideologically dedicated to minimalist forms of government. With the advent of the welfare state, the Keynesian view of economics viewed education as the 'public good' and assumed that the state holds the chief responsibility for providing education to its citizens, so much that it became a moral as well as a political imperative. After the Second World War the developed countries developed vigorous systems of public education. Even postcolonial countries such as India believed that education which is publicly funded is essential for national development.

In the 1970s, management experts such as Drucker proposed privatization as a way of breaking up state monopolies by dispensing government services to market discipline. This would improve their cost-effectiveness. In the 1980s, the UK and the USA embraced the privatization movement. The Thatcher Government 'de-nationalized' the state owned companies. There was an argument of 'choice' of the public. The tax burdens on the citizens were high which made it difficult for the citizens to choose to buy or not the services they required, therefore privatisation was seen as necessary. The theories of New Public Management suggested that successful business ideas in private sector should be applied to public services.

Presently in the course of recent decades, the possibility of privatization in education has been broadly grasped by governments around the globe and frequently upheld by certain intergovernmental organisations whose ideological promise to privatization originates from the proximity of their market belief systems and economic concerns. This has been joined by the interests of incredible transnational companies in advancing privatization of education of some nongovernmental associations (NGOs) and governments of socialistic influence, for example, Vietnam and China.

Privatization refers to policies promoting liberalization and deregulation that lead to the establishment of a market in education or, at least, to competition between public and private providers of education. Countries go on board on privatization because they are convinced that the efficiency of the school system will increase by reaching the unreached, thus improving access to education, and by improving learning outcomes through increasing competition. Privatization has its roots in a liberal perspective of the role of the state in education. The traditional system of centralized education systems are often criticized for being largely inefficient. Liberals assume that private providers operating under the market would provide parents with choice, and

that competition would lead to ever-increasing quality standards and also drive out of the market those operators unable to provide the service parents want. Therefore there is a legitimate necessity to retract the state from traditional public services such as education.

The privatization of education brings up the issue with regards to what degree the public functions of education are undermined if schools are given to privately owned businesses rather than the state. Market failure involves the hazard that education may never again be given at a palatable level, and that imbalances could increment immensely if just the privileged sections can bear the cost of good education. Others, be that as it may, would contend that a solid state funded educational framework must be a precondition for social equity. Deregulation as privatization and institutional autonomy in educational sector are impetuses for social disparities while centralised education is regarded to inhibit the legacy of educational opportunities over generations.

In developing countries, students in private schools seem to achieve better learning outcomes than their counterparts in government schools even when accounting for the socio-economic status background due to reasons such as less student teacher ratio and less absenteeism by teachers. Private schools offer better teaching conditions, smarter classes, better qualified teachers and more parental participation, making the whole learning-teaching experience more holistic. Private schools have higher financial resources that lead to better educational achievements. The tuition fees provides parents and pupils with stronger customer power and implements a service culture that responds to individuals' preferences. The greater autonomy of private schools strengthens the influence and the demands of parents and pupils since these schools can cater to these demands.

#### **PRIVATISATION OF EDUCATION SECTOR IN INDIA**

"Following the successful contribution of privatisation of engineering colleges to India's software exports, governments could also explore the privatisation of education to augment education capacity at all levels of education" the Economic Survey suggests.

The education sector of India is prone to numerous challenges. There are lack of proper public schools across villages, shortage of teachers and teacher's absenteeism, lack of proper infrastructure in public schools, drop outs of students, and so on. It is almost impossible for the Government to bring in reforms in this sector. The latest budget declared 3.3% share of our GDP to the education sector. The NITI Aayog, in its "Three-year action agenda" report of 2017, said that the non performing or hollowed government schools should be handed over to private parties under the PPP model. According to the report, while the number of government schools increased over the years, the enrolment numbers in them have been falling drastically while the number of students enrolling in private schools has been on a rise leading to "hollowing" of state-run schools. High rate of teacher absenteeism, limited time spent on teaching when the teacher is in class and generally poor quality of education are among important reasons for this emptying out.

There are a number of ways to reduce the inefficiencies that the education sector faces especially the public sector schools. Firstly, the outsourcing of specific activities of the education sector to private providers. Second, deregulation of the education sector. The provision of schooling through private organisations, but partially funded by the state and in compliance with public rules. While these schools are independent, few are complementary: one example is letting more private schools to enter a market at the same time as giving students more choice regarding enrolment in these schools.

The overall question is: can the common good of education be provided by the private sector in a more efficient or optimal way than by the state?

Few things in education policy in developing countries are more contentious than what the role of the private sector should be. Much of the dispute comes from contrasting opinions about the nature of private schools as they exist today: should we think of them as offering a substantial route for actually delivering quality education for many millions of children, especially in the face of severely underperforming government schools? Or should we think of them as essentially thriving on 'cream-skimming' students from more privileged backgrounds, deepening social and economic divides but adding little in terms of actual skills and education. These are empirical questions.

However in countries as India, market could be given an opportunity to invest in education which can be done through the process of delegation. In US charter schools are an example of delegation. Charter schools typically operate under a contract with local school districts on behalf of groups of parents, teachers, school administrators, community members and private firms. They operate on a public-private partnership model, whereby, the school receives government funding but operates independently of the established public school system. They have greater operational flexibility, and are accountable for their academic performance.

For market enthusiasts, even this level of privatization is not enough. They argue that the choice provided by these charter schools are hollow as long as governments control the money, the competition is available only on the demand side and not on the supply side. In

India, Akansha, a Mumbai based non profit foundation has pioneered the charter school movement since 2007. It formally signed a memorandum of understanding with the municipal corporations of Mumbai and Pune, to manage and administer six municipal primary schools under its 'The School Project'. The world over charter school chains have produced better outcomes at a more cost efficient structure than their public school system.

However, India has failed to devise a comprehensive policy for allowing charter schools to operate and compete with the public school system.

To reduce the monopoly of government schools on poor students they need to be provided with a choice of schools, which is possible through charter schools. Another way is by giving out education voucher too access them private schools of their choice. This type of system is very evident in the state of Chile. Systems as charter schools and the voucher system are said to expand parent and student choice. If implemented in India, charter schools can offer parents dependent on poor quality government schools a way out of the system, and dramatically improve student learning outcomes. Unfortunately the Indian government is yet to accept this idea.

A public-private partnership programme which has given a fresh lease of life to children from underprivileged and socially backward communities is the state governments *Pahal* initiative in Uttarakhand. Under this scheme, the state government grants education vouchers to children from six to fourteen years who are underprivileged to attend selected private schools which have signed PPP agreements with the state government.

Other initiatives such as Karnataka government's school adoption scheme: The *Nurturing Programme* invites corporates and NGOs to adopt one or more government schools in the state. The aim to increase the gross enrolment ratio of schools by 30% by the Government is possible through the distance and online mode of education. Several prestigious institutions are currently using technology platforms to open up their courses to the world, teaching thousands of students at once. This type of course is commonly referred to as a "massive open online course," or MOOC. The online form of education should be equivalent to offline mode in India. Hence to meet the requirements of Indian students a hybrid model with a combination of physical presence of the teacher and technology should be a reality in India.

## **CONCLUSION**

An obvious catalyst to privatisation of education in the developing countries as India is the rise of social inequality. However, where government schools are failing or simply nonexisting, low-cost private schools have emerged and look like a promising avenue to deliver basic education to the poor. These low cost private schools pose certain problems, they are low in fees, and have poor infrastructure and recruit low paid young teachers often from the community. Most of these go unregistered because fails to meet the requirements of the government. To make this privatisation model a reality in India more global evidence is needed to assess if private schools effectively complement state school provision. Evidences are seen that in countries where the provision of education is largely privatized, higher social strata turns to private schools, while lower social strata of the society remains in public schools risking segregation along social lines. It also becomes evident that higher status groups benefit more strongly from deregulation, raising the degree of educational inequality. Therefore while considering deregulation and allowing privatisation of the education sector, the Government needs to effectively consider the efficiency-versus-equality trade-off.

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