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INDIAN PRIVATE HIGHER EDUCATION IN COMPARATIVE PERSPECTIVE *

ABSTRACT

India demonstrates many features characteristic of private higher education in much of the world. Among these features are proportional size, with roughly 30 percent of total enrollment, and fast growth. Also rather typical is finance, which comes almost exclusively from non-government sources, principally tuition, while public higher education is mostly though decreasingly funded by government. Related to rapid growth and finance is the private sector's preponderance of commercial over academically strong institutions, bringing criticisms about quality and even fraud, including as many legally nonprofit institutions appear to be for-profit in reality. There are also religious and semi-elite private institutions but the clear majority of private enrollments lie in the non-elite and demand-absorbing sub-sector. Unsurprisingly, then, the extent and form of regulation is vigorously debated. All this is common internationally.

On the other hand, though less powerfully, Indian private higher education also stands out for a number of relatively unusual configurations. Some are functions of the country's huge size. Its private sector nearly rivals that of the United States as the world's largest in absolute enrollment. Yet India's overall higher education system remains notably small in cohort enrollment—which suggests large latitude for further growth in the system overall and for the private share in particular. Another set of relatively unusual configurations relates to the political system. The world's greatest private growth is occurring in developing countries, most of which are non-democratic or problematically democratic. India is remarkably democratic. Indeed it is remarkably decentralized in its democracy, with a large role for individual states, Congress, and even the courts, and with vigorous debate among political parties. Debate over private higher education is particularly intense as deeply held socialist and state-oriented beliefs clash with the overall political-economic trend of privatization.

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The Program for Research On Private Higher Education (PROPHE) seeks to build knowledge about private higher education around the world. PROPHE focuses on discovery, analysis, and dissemination. PROPHE neither represents nor promotes private higher education. Its main mission is scholarship, which, in turn, should inform public discussion and policymaking. PROPHE's Working Paper series is one vehicle to promote these goals.

INTRODUCTION

This working paper has two interlocking purposes. The main one is to present the massive Indian case to a global audience. The other is to provide global context within which Indians can analyze their private higher education.

We highlight key topics in the global literature on private higher education, identifying principal patterns and contemporary tendencies, all along exploring how India fits and deviates. Reflecting varied international reality, it often results that India simultaneously parallels reality in some countries while it contrasts with reality in others. ¹ No country's private higher education is merely typical or atypical, because there is no one modal global form. Although it is common for observers to regard their country as largely unique, the reality is nearly always mixed. Our goal is less to arrive at a conclusion that India is especially typical or atypical, though we find it is more the former, but rather to see how it is both, to see and understand which characteristics are typical and which are not.

Our four main topics are expansion, types of private institutions, finance, and politics. Inevitably, we consider a twin privatization common in India and much of the world: partial privatization of public institutions. Although it is not our focus, we note some parallels and interactive effects between this privatization and private higher education itself.

EXPANSION

History. The Indian higher education system overall is large and it is small. It is large in raw numbers. Its roughly ten million enrollments place India third in the world, greatly behind only the United States, slightly behind China, and modestly behind the entire continent of Latin America while far outdistancing all of Africa. Its roughly 18,000 institutions easily top figures in any other country, though because the great majority are "affiliated" institutions, colleges affiliated to 131 public universities, the high figure depends on counting each as an institution. The colleges account for some nine-tenths of undergraduate and two-thirds of graduate enrollments (Agarwal 2006). ²

India's higher education system is also large compared to where it was in recent history. At Independence (1947), the system had only 100,000 students in some 20 universities and 500 affiliated colleges. The growth rate was spectacular in the 50s and 60s, then slipping. The number of institutions has roughly tripled in the last quarter century.

Yet the Indian system is small in that it still enrolls only about 7-9 percent of its age cohort by most estimates, though some claim 11 percent. Poor states have much lower rates, advanced ones up to nearly 30 percent.³ This leaves India not only far behind all developed countries but also even Brazil, China, and Indonesia, though far ahead of neighboring Pakistan (which sends large numbers abroad).⁴ Indian higher education's smallness is not merely a contradiction to its largeness. Rather it indicates that Indian higher education has huge room for growth. And higher education growth now largely means private higher education growth.⁵

As is the case in almost all countries, contemporary higher education systems have precursors. Often the precursors are more private than public. In India, roots are proudly identified as even thousands of years old, before there was a formal system of higher education in the 17th and 18th centuries, a system that was still mostly private in mission and philosophy.⁶

Historically, private higher education systems have often evolved into mostly public ones. Often this is associated with the rise of the nation-state, as in Europe and Latin America in prior centuries but not until 1947 for India. In the 1950s much of India's pre-existing higher education was nationalized or in effect nationalized as funding would come mostly from government. Moreover, universities created in the 50s and 60s were all public (Gnanam 2008). Even colleges that remained private in a formal sense became "grant-in-aid" institutions, meaning mostly government funded. India during the 1980s was one of the world's dramatic examples of a "publicization" of higher education.

An important empirical and conceptual point therefore is that whereas today's global dynamic in higher education is so much about privatization, including the proportional growth of private sector enrollment, this has not always been the case historically. Chile's oldest private universities, dating to the end of the nineteenth century, became by the 1960s mostly public except in name.⁷ Probably the most common historical form of significant publicization, particularly notable from the mid-twentieth century, involved the growth of government funding and government regulation, a point relevant even to the government-limited United States.

Yet so strong has been India's private boom that the gross and proportional figures for private higher education are imposing. According to Agarwal's estimates, 7870 private institutions amount to 42.9 percent of the country's 18,123 total. Their 3,228,000 enrollments amount to 30.7 percent of the 10,468,000 total (Agarwal 2006). Of the 71 (non-India) countries for which we have gathered private-public enrollment data, India's private share exceeds 48 cases and trails 23—and it is clear that the great majority of omitted countries have private shares much lower than India's. On the other hand, India's 30.7 almost exactly matches estimates for the private share globally (Guruz 2004-2005).

No other country has as many private institutions of higher education as India has. Only the United States has larger private enrollment, and not much larger. Moreover, the Indian figures count as public all institutions that are basically considered public and run with public money; this includes the nominally private colleges that depend on grants-in-aid and account for roughly a third of total higher education enrollment (and not much less of the institutional share). Additionally, if we were to include private diploma granting institutions and private corporate training institutions, the private share would be significantly higher than 30.7 percent.

Private Boom in Cross-national and Intranational Context. India's private ascendancy is a fairly common periodization globally (Altbach and Levy 2005). With significant earlier private growth, Latin America has accelerated its tendencies since the 1970s, still unabated. Sub-Saharan Africa, much of the North Africa and the Middle East, and Central and Eastern Europe have come on board mostly since the 1990s. Western Europe remains the region most apart from private higher education growth, notwithstanding novel and noteworthy private institutional breakthrough in countries such as Germany and notwithstanding financial and management privatization within public universities. For all the change within the size and composition of its private higher education sector, the United States has been remarkably stable for the last several decades in the private sector's slightly less than one-quarter share of total higher education enrollment. Its fastest present growth is in the for-profit sector. Juxtaposing the general U.S. private stability to the great growth of private shares elsewhere makes the U.S. case now rather typical though actually a bit low in private share.

How does India stack up within Asia? Asia is a region in which private shares are comparatively high. This is because several large countries have quite large private shares. Over 70 percent private are Indonesia, Japan, the Philippines, South Korea, and Taiwan. Much of South Asia has substantial private higher education. On the other hand, more in India's range are Malaysia and Mongolia, with China, Pakistan, Thailand, and Vietnam more in the 10-15 percent range. China's private sector did not begin until 1982. (<http://www.albany.edu/dept/eaps/prophe/>). So whereas the Asian region is comparatively high in private proponents, it also manifests great variability.

In Asia and beyond, whatever the private share of enrollment, its share of institutions is generally quite higher. For Malaysia the share is over 90 percent, for Japan and South Korea nearly the same, for Mongolia 64 percent. This means that the average size of private higher education institutions is often markedly smaller than the average size of public counterparts. Not so in India, however (private institutional share 42.9 versus enrollment share of 30.7). In other words, while India's private share of enrollment is comparatively impressive, its private share of institutions is not but it is the enrollment share that is the more important figure.

An unusual feature of India's private surge is its enormous state-based nature. Most higher education systems remain national, with national public institutions now accompanied by private institutions that get counted at the national level. This is not to imply that private growth is typically spread out rather evenly. On the contrary, data indicate a strong concentration of private sectors in capital or other leading cities. Where countries have states, the economically and socially leading states tend to have the largest private higher education concentrations. This is true, for example, for Brazil's southeastern states, as it is for leading Nigerian states. China's spectacular private growth has concentrated in leading provinces and cities, such as Shanghai. Such states often promote more market-oriented policies than other states do.

From the 1970s, India's pioneering states have been mostly from the developed south and west, including Karnataka, Maharashtra (north-west), Andhra Pradesh, and Tamil Nadu. More northern states joined the move later (Agarwal 2006). Chhattisgarh's first officially recognized private university was Shri Rawatpura Sakar International University, 2002. Indeed the state allowed the opening of 97 private universities in 2002, all labeled as universities. By 2003 Gujarat had two recognized private universities and other states on the bandwagon have included Orissa, Uttaranchal, Himachal Pradesh, and Sikkim. Powar and Bhalla (2008) gives a case-study of private development in Maharashtra, India's most developed and second largest state, with over 650 higher education institutions, over four-fifths private. In Andhra Pradesh, where all 50 institutions were public fifty years ago, by 2001 641 of 989 were self-financing, and 93 of the state's engineering colleges were private. Private (self-financing) institutions out-number public ones in most states (Gnanam 2008). And most of India's states have allowed private higher education (Kapur and Mehta 2004).

A major part of India's surge has come with proliferating professional colleges, by 2002 reportedly into the thousands in Maharashtra alone, with 70 percent of them private (Powar and Bhalla 2008). Compared to broader and mostly public liberal arts colleges and institutions with a presence in science, these are pointedly commercial institutions. They blossomed first in engineering, then medicine and health, as well as management and teacher education. In fact, the private share of these professional institutions, 83 percent overall in Maharashtra, varies little across these fields. All are part of the global growth of job-oriented higher education, particularly championed by private higher education.

Indian private higher education has eleven universities approved by the University Grants Committee, UGC), accounting for over 100,000 students, with 7 more universities proposed by state governments, but as dramatically seen in the state of Chhattisgarh, many state universities approved by state government are not approved by the UGC. Then there are some 63 unaided "deemed to be universities," (a legal status for practical purposes like that of universities, except that they cannot have affiliated colleges), rare until the new century, with some 60,000 students,

7650 unaided colleges with 3,150, 000 students, and 150 foreign private institutions with 8000 students.⁸ Then there are professional institutes that grant diplomas but not degrees, though some are comparatively formidable institutions, along with corporate training institutions not under traditional universities but privately run by businesses and well accepted even though they too offer no official higher education degrees, universities, and places deemed to be universities. An example of corporate groups running universities would be APTECH and its APTECH University in Chhattisgarh, with branches in other states. Perhaps a third of India's higher education institutions are now self-financed, essentially private.

What India witnesses in all these forms is an explosive growth of a "new private" sector, quite private in finance, governance, and mission (*Wall Street Journal* 2007), in contrast to an "old private" sector. Other prominent examples of new private sectors thriving alongside old private and public sectors include Chile since the 1980s and Nicaragua since a bit later. The notion of a new private sector, high on privateness, thus can go beyond the notion of just a reborn private sector after a political regime had banned private higher education, as seen in Nigeria, Turkey, and Communist countries.⁹ After its post-Independence "publicization," by late in the century India's private operators of affiliated institutions concluded that affiliated status to public universities carried too many restrictions on market responsiveness, so that truer private and autonomous status were sought (Agarwal 2006).¹⁰

The main causes of India's explosive private growth are mostly similar to those seen elsewhere. Crucial is soaring demand for higher education, alongside less than adequate public supply. Like many developing countries, India has stated targets for a greatly expanded cohort enrollment rate, often to match rates in systems appropriate to emulate. Yet neo-liberal dominance means that this is not an era in which the public sector will accommodate the bulk of the enrollment surge. In some countries, the public sector has continued to handle the lion's share in absolute terms, even as the public's share of the total declines. India is among other countries, where the private growth is pronounced in both absolute and proportional terms. India's surging demand stems not just from demographics but also from unusually strong economic growth and the middle-class expansion it fuels and the government orientation since 1991.¹¹

These main causes of private higher education growth cannot be disentangled from main causes of the accompanying privatization: the shift to much more privateness within institutions that remain juridically public. This is a point to re-engage in regard to financing. Also, alongside the formal higher education system is a range of related activity that is essentially private. These include coaching academies, cram schools, and tutorial programs (Gnanam 2008), as we typically see in countries where access to higher education, or at least to leading higher education, is competitively limited. Private coaching is a huge business in India.

TYPES

Non-universities. A large point of similarity between Indian and global private higher education is concentration in “non-universities.” India’s number of private universities pales alongside its 7650 colleges (treated separately), and its professional and corporate institutions. Even counting the private deemed to be universities as universities and counting the foreign institutions as universities, the private university number pales next to the country’s 278 Indian public universities. The non-university private figure of 7650 (even apart from the many professional and corporate institutes) contrasts with a public non-university figure of 9975. In other words, the private share of universities is small whereas its share of non-universities is a large minority. Similarly, private universities account for only 8 percent of total Indian university enrollment.¹²

In the great majority of countries for which we can adduce data, the private percentage, be it high, medium, or low overall is higher among non-universities than among universities. Many reasons account for this. One is that universities tend to be much broader, larger, and costly, but such a generalization is not apt for India. Systems simultaneously geared to increasing access and holding down cost naturally accentuate less expensive institutions. A similar point holds about the scarcity of other resources needed much more for universities than for other higher education institutions: highly prepared students, well trained and full time faculty, elaborate libraries, laboratories, and other facilities, and so forth. Populism may insist that full-fledged massive expansion of universities (usually public ones) is the best route but it is demonstrably a route out of favor in today’s practical policymaking. Instead, today’s dominant practical notions are hugely favorable to disproportional advances on the non-university side and the private side. On the other hand, the political or university left, not keen on private development and challenges, may defend public turf by setting tough criteria for institutions to qualify as universities, reserving special privileges of status and rights for universities only.

Religious. Precursors for private higher education have often been religious. This generalization holds for India. Precursors include Buddhist operations since a few centuries BC and, in the Middle Ages, Brahmial institutions for Hindus and Madrasa for Muslims. Most pre-colonial Indian colleges were started by Christian missionaries, arguably more for Indian needs than was the case at secular institutions oriented more toward colonial rulers. Sikh institutions trace to the 1870s and there were several Hindu initiatives.

Religion is often integral to why historical institutions were essentially fused private-public, before a strong sense of private versus public distinction arose. Such fusion was common historically throughout the Americas. Universities of Takshashila and Nalanda are ancient Indian examples and India’s modern higher education started with Hindu College, 1817 (Powar and Bhalla 2008). The growth of the nation-state often partly swallows private institutions into the

public pool, an apparent Indian example being colleges established by Christian churches in the mid-19th century and affiliated to Bombay University. In more recent years, Christians in southern and western states have set up private colleges for their offspring who have access to funds but not the qualifications to gain entry to the public university (Gupta 2008). Both Banaras Hindu University and Aligarh Muslim University, begun as private, religious institutions, and getting major donations from rulers of princely states (Powar and Bhalla 2008) similarly came to depend more on government funding after Independence.¹³

Clearly religious pluralism has long had an expression in Indian higher education, which is not to say all religions equally. In contrast, many countries historically had religious higher education that was basically Catholic or other Christian in its focus and then Pentecostal or Muslim initiatives came along mostly just recently. Naturally, plural religious forces and universities have partly reflected and stirred inter-group tensions. In 1968 the court held that the Aligarh Muslim University, having been set up through national legislation (university status, 1920) could not be just for Muslims. This led to protest and by 1981 the university had its “minority” status restored (Ahmad and Siddiqui 2008). The university claims not to favor one group at the expense of merit admissions, but also holds that at least 75 percent of the student body should be from its minority. Obviously, India is a country among those that have very fragile religious (and caste-based) accommodations, with sharp animosities and dangers, all making higher education and politics vulnerable.

Unlike what many scholars had expected a half century and more ago, modernization has hardly reduced religion to marginality in social, political—and academic—life. To be sure, in both Latin America and the United States, as well as where Catholic universities existed in Europe, one could depict a slippage in religious private higher education. Quantitative evidence has included a reduced percentage of the private higher education sector and the total higher education system, though not necessarily of absolute enrollment numbers. Qualitative evidence has included reductions in admissions and curricula requisites based on religion, as well as in affiliations and commitments by faculty or even administrators. To make it in the market, especially today, more and more nominally religious institutions have had to plunge themselves deeper and deeper into commercial pursuits.¹⁴

Elite and Semi-Elite. There is a widespread impression or supposition outside India that India must have a world-class university apparatus. Indian high-tech and other scientific enterprises achieve great visibility and acclaim at home and abroad. Indian graduate students and faculty in U.S. universities and the global workforce boast fine reputations. Yet the reality is that India has little truly elite higher education, whether on the public or the private side.

The lack on the public side may be particularly surprising as many have heard of Indian Institutes of Technology and Indian Institutes of Management as well as of other public institutions in medicine and science. And it would be wrong to deny that there is an elite. At the IITs, roughly 300,000 candidates annually compete for just 3000 slots. Both French and Swiss institutions are looking into joint programs with some IITs. But experts note many problems. One is a lack of public spending on higher education, at just .37 percent of GNP, compared to 1.41 in the United States.¹⁵ Heavy funding is no guarantee of exalted and broad academic standing, but the lack of such funding is a guarantee that there will be no such standing. Another reason might be the lack of national (as opposed to state-based) institutions. Outside the United States (and Brazil) there are few cases of non-national leadership and even in the U.S. case most of the leading universities, private, are more national than local or regional in profile.

Surely another contributor to a lack of ample Indian elite status is politicization. This includes a spate of rules and regulations beyond what academic elite institutions can thrive upon. It also includes a populism that has presented difficulties for a national university such as the Jawaharlal Nehru University of New Delhi. Politics kills the concept of a few major universities and more market competition.¹⁶ Recent reforms have promoted huge quotas for disadvantaged groups. Most of even the IITs are not academically elite institutions. An overarching reality is that, at least judged against its size, the Indian higher education system lacks anything like the degree of institutional differentiation required for an elite subsector to flourish. In Japan the elite sector is mostly public, in the U.S. quite disproportionately private.

India's lack of a formidable *private* academic elite sector is less surprising in global perspective. That is, outside the United States, such sectors are almost non-existent (Levy in progress)—and even in the U.S. enormous differentiation within the private sector shows that most institutions are far from elite (Collier 2008). More common than elite private institutions, increasingly so, are quasi-elite or partial elite institutions, which we may label semi-elite. They are often in niche areas, the most common one being business or management. Additionally, leading private places often have an elite socioeconomic status that promotes their semi-elite status at the undergraduate level even when they lack much academic graduate education, basic research, and so forth. Semi-elite institutions are often quite entrepreneurial, serious, well managed and reasonably financed. They are often also quite private in finance, management, and mission (mostly to the job market) and generally internationally-oriented, mainly Western-oriented in conservative political-economic respects (Levy forthcoming a).

These comparative points hold quite well for India. While not cracking the global top ranks, some Indian private leaders are semi-elite leaders at home. A standout feature in India is that many *non*-universities pursue semi-elite standing. This is true for certain institutions run by corporate groups, such as the Birla Group. ICFAI University, begun in the 1980s by vigorous entrepreneurs,

aspires to high level training and claims to spend much on research and faculty development. Elite may be associated with some private non-degree awarding institutions (Indiresan 2007: 119).

Still, only a few Indian private institutions are academically elite, or close to that. Paralleling the situation in Europe, Africa, and Asia, the academic peak and the number one choice for the majority of well qualified secondary school graduates continues to be the leading public universities. Of 113 (now up to 131) universities accredited by the National Assessment and Accreditation Council of UGC, only 5 are private (Stella 2008). Although systematic Indian data comparing private and public quality are lacking, both a one-state engineering survey and a general view of public opinion tends to confirm the idea of private inferiority (Powar and Bhalla 2008). A respected private institution like the Manipal Academy of Higher Education remains mostly a second-choice institution (Singh and Mishrs 2008). A common and reasonable critique is that even rather well-run Indian private institutions are too much based on commercial criteria to achieve high-level academic stature (Stella 2008; Singh and Mishrs 2008).

The specter of a huge exception or even the start of a private elite trend emerged in 2006. The chairman of a mining and metals company pledged through the Anil Agarwal Foundation a billion dollars to establish a large and elite university in the state of Orissa (Henig 2006; Neelakantan 2006). The declared purposes included providing the state and the country with a university far beyond anything they presently have, with internationally leading research, faculty, and facilities, and with ample autonomy. A related claim was that the elite university would diminish the number of Indians presently opting to study at universities in developed countries. Proposed to be something of an Indian Stanford, Vedanta University would open in 2008 and grow in stages to 100,000 enrollments. But critics, including in Orissa's main opposition party, envisioned no such thing. They found the pledge a cover for corrupt dealings, sweetheart deals with the state government, skirting open competitive bidding.¹⁷ India is not alone in South Asia in seeing large-scale philanthropy in attempts to build universities of international stature.

How one assesses prospects depends not just on one's evaluation of Indian realities but also partly on how one looks at international experience. Even the United States—by far the leading country for corporate philanthropy—does not see pledges of this size. India has more philanthropic tradition than most countries do, but in fact the role of philanthropy in Indian higher education proportionally diminished in the post-Independence 1947 decades. On the other hand, like many other countries but more so, India has been undergoing massive privatization in the last fifteen years or so in both the private economy and in higher education. (That wealthy states have taken the clear lead in India and beyond would make the Orissa venue aberrant.) The higher education privatization cuts against India's relative lack of institutional differentiation and competition. How much present educational and economic privatization might help prospects for a place like Vedanta University is unclear. What is clear is that India has lacked academically

elite universities, public or private, sufficient to spur the country's place in the globalized knowledge economy.

FINANCE

Macro tendencies. As with most of the world, private higher education in India is overwhelmingly private in finance. In fact, for India we can say that the financing is increasingly private.

The huge qualification to the notion of private finance for private Indian higher education lies in clear delineation that colleges dependent on government grants in aid are essentially public entities. If one insisted on labeling them private, they would be among the world's leading examples of publicly funded private institutions. Since these are not elite or research institutions, they would not parallel the U.S. picture of competitive government funding for the highest levels of academic endeavors. Yet they would show some resemblance to U.S. government financing of access to private (as well as public) institutions, though in the Indian case the funding is to institutions and not students. As noted above, independent India shifted from largely private to largely public funding of affiliated colleges.¹⁸

Also as noted above, hand-in-hand with the growth of public funding was a marked decline in philanthropy, after a pre-Independence "golden age" of philanthropy (Azad 2008). In the second half of the century, philanthropy fell from 17 to just 2 percent of India's higher education funding (Gupta 2008; Kapur and Mehta 2004). Of course much of such a shift has to do with rapidly rising public funding, as in much of the world, rather than simply a fall in philanthropic funds. Compared to 49 percent in 1951, 76 percent would be the 1987 figure for the share of higher education funds coming from government (Azad 2008). Notably, making India quite unusual though not unique internationally, most of the public funds are from state governments. Important state funding has existed in the United States, Brazil, Canada, and Mexico but rarely in European or most other countries.¹⁹ With a case like India in mind it would be interesting to explore cross-nationally whether countries with major state government roles are more comfortable venues for private higher education than are venues where government means just central national government; we here forward a very tentative initial hypothesis of a moderate affirmation.

But what was a strong public financing trend from the middle of the last century has turned into a private trend since the latter years of the century, accelerating markedly into the new one. A similar point could be made for many countries, also based on a mix of partly privatizing the finance of public institutions and of rapid private institutional growth. A comparative assessment is that India is among the countries with a particularly powerful shift. India's public universities

are living decreasingly on government funds, increasingly on various forms of private funding, including outsourcing. Striking is the emergence and growth of self-financed units within public institutions. This stems from fiscal pressures, though some in government welcome the partial privatization. It is also a tendency in countries as otherwise different as Kenya and Russia. In Kenya the self-financed enrollment now exceeds the rest of the enrollment in the public universities (Otieno and Levy 2007). In a sense, the self-financed growth represents a re-privatization of many of India's grant-in-aid colleges.²⁰

Private Profit. Our main focus, however, is on the private funding of private institutions as these institutions have surged. One important consideration is that from the outset it was explicit that the privates would not get public funding (Powar and Bhalla 2008). This reflects a common tendency internationally for establishment of private sectors to be contingent on political limitations (whether on funding, size, curriculum, or degree-granting rights). Recently, India has allowed specific government agencies to fund non-recurrent, specific programs at private institutions. This hardly derails the generalization of private institutional dependence on private funds. As the world over, this dependence lies principally on tuition and fees, especially for academically weaker institutions. One respect where India might rather unhappily stand out is the high level of these charges, even at places that are not very strong. This results largely from the soaring demand for higher education as well as the fact that a growing middle class can afford the costs, though hardship confronts others now and will be aggravated as less-privileged aspirants increasingly appear in the applicant pool. Already costs are a major political and legal issue, again not uniquely but perhaps more strongly than in other countries.²¹ Courts have since 1992 explicitly upheld the constitutionality of self-financed institutions and courses in terms of students' right to choose, a political as well as economic freedom (Gupta 2008).

Following global patterns (Kinser and Levy 2006; Jing 2006), the following can be said about Indian private higher education and profit. There is tremendous legal ambiguity. The borders between for-profit and nonprofit are blurry and evolving. Most and sometimes all private higher education are legally nonprofit. But most are largely profit-oriented in actual behavior. This reflects and reinforces the heavy commercial character of most of private higher education. Financing is even more private, in both source and expenditure, as we get closest to the profit side as compared to the nonprofit side of the private sector. Profit and quasi-profit realities are intensifying.

A reader can peruse scholarly and policy pieces on India (and several other countries) and still be unsure about the legal status of for-profit higher education. To the extent that the government prohibits for-profit higher education but of course allows institutions to generate funds, it might not much matter whether an institution is fully self-financing or not (Stella 2008). Since the 1980s government has been on board with what are essentially for-profit institutions, notably

professional institutes. APTECH is a commercial organization, publicly listed. As in other countries some ambiguity can come regarding what is allowed and what is allowed as “higher education,” for-profits thus forbidden in higher education per se while being allowed essentially as businesses, sometimes directly under business law. Even Supreme Court rulings have left ambiguity (Gupta 2008).

In fact, court and other government policy has on notable occasions undermined the profit incentive. The Supreme Court has forbidden “profiteering,” for example, in rulings on fees and admissions. A contentious point is the extent of public authority (UGC, other national authority, or the public university to which private colleges are affiliated) to approve private institutions’ tuitions. A complaint by private institutions’ stockholders is that they cannot get the autonomy and incentives they need, restrictive public policies in turn pushing some students abroad (Gupta 2008). Furthermore, India is a striking example of where the leading global for-profit higher education company has been stymied. Laureate (Sylvan, back in 2004) closed the South Asian International Institute in the high-tec city of Hyderabad in the southern state of Andhra Pradesh (compensating enrolled students). The judicial and political climate is too hostile, Laureate concluded, quite in contrast to the receptivity for most of its Latin American and European forays.

Yet such concerns must be pitted against the reality of robust and growing for-profit reality.²² As is the case elsewhere, in India too the for-profit reality is linked with enhanced access. Since the 1980s many professional institutes have flourished, including the pioneering National Institute of Information Technology, 1981. Many other institutions have been tied to industry in their establishment and funding as well as curriculum and job orientation. Indeed, many of these Indian institutions have launched offshore ventures in over 30 countries, e.g., the Manipal Academy of Higher Education, in Dubai). Although the institutes cannot offer higher education degrees as such, they give quite related awards.²³ Given the growth of the private economic sector, as well as the influence of the international economy, the lack of degree-granting authority is not crippling. Moreover, the basically for-profit incentive reality is reflected in institutions’ zeal for quick recovery of costs and thus a critique of hyper-commercialism.

POLITICS

Political Configurations. India is not unusual for having strong political and policy differences regarding private higher education but several features stand out. One is the zeal and anxiety in what is after all a comparatively new situation. Although India has an extensive private higher education tradition, the modern private situation is only a couple of decades old and is fast

evolving. This contributes to a climate of uncertainty. Settled structural and legal arrangements have not been achieved. Much is at stake.

This is not to imply that everything is up in the air. It is generally accepted that truly private higher education is here to stay. Some on the political left may lament that but realism prevails and the fight is over rules and extent. As in so many other countries, it is hard effectively to delegitimize private higher education when so much of national development policy is privatized, liberalized. Indeed, where public higher education is increasingly privatized. And India appears to be among the large public systems of higher education that is most privatizing. Government has slapped major freezes on public universities in regard to new posts, refilling open posts, construction, public funding, development grants from the UGC, and so forth—while at the same time authorizing self-financed courses (Das 2006).²⁴

But there is a long distance between grudging acceptance and enthusiastic promotion. A striking feature of the Indian configuration is how strong the clashes are. On the one hand, the country's official swing to market development is potent. On the other hand, that does not quash political values and movements that remain largely socialist in nature, including that national development be basically a public sector matter, with large government participation and keen emphasis on equity and equalization (Stella 2008). As is commonly the case elsewhere as well, the public university is often a bastion of this leftist orientation.

And the Indian clashes are multiple in venues. Here we refer in large part to both the democratic and decentralized nature of Indian politics. Much of the action—for both the private and the public sectors—is at the state level. There are many state-national clashes (Jayaram 2007: 85). Political clashes at the national level blocked a private university bill in 1995, thus leaving it to supportive states to authorize private development but also leaving a natural conflict between these states on the one hand and national bodies on the other, prominently including the UGC. The UGC asserts that while states establish, the UGC monitors and retains authority to close or restrict private institutions whereas the institutions assert that the UGC is merely advisory for the private sector.²⁵ Legislatures and contesting political parties are powerful. Nothing is more striking about India compared to other countries than the role of the courts. Even in those few countries—certainly the US—where courts are heavily involved in higher education policy, including policy on private higher education, their decisions rarely have the centrality they do in India.

A couple of final points about the political configurations align India with common international patterns. For one thing private business tends to be pro-private higher education. Likewise, business decries waste, public political over academic and economic rationality, lack of performance incentives, hyper responsiveness to faculty priorities, and hypo responsiveness to

student interests. Business groups running professional private training institutions are prominent among the critics (e.g., ICFAI, Chartered Financial Analysis of India). They of course argue against heavy regulation, particularly insisting on private institutions' autonomy from government, instead defending the practice of considerable hierarchy—rule from the top-down—within private institutions.²⁶ Such advocacy and such hierarchy are the common realities internationally for private higher education.

Regulation. Political configurations play out on the regulation front. Establishing private institutions is tougher or easier depending upon state. Most Indian higher education institutions have been established by state legislatures or Parliament but the private sector has depended upon the states and of course private initiative. Many private institutions prefer to forgo the right to grant university degrees recognized by government so as to remain rather free of regulations, including from the UGC and AICTE (All India Council for Technical Education). Their calculated bet is their autonomous flexibility is worth more than is degree-granting authority. As noted above, this is an increasingly viable international bet as employment becomes less government-based and more private and global-market based. So the key lies in institutions' standing with clients. Successful Indian examples include the (graduate) Times School of Marketing, the Kirloskar Institute of Advanced Management, and the Indian School of Business based at Hyderabad.

At the state level, India often echoes a well-established global pattern normally seen at the national level: helter-skelter, limitedly controlled private proliferation followed by “delayed regulation” (Levy 2006). In some cases a state looked to the lax regulation of states that were earlier into private higher education, as Powar and Bhalla (2008) shows for Maharashtra state looking at Chhattisgarh's early lead and emulating but with more regulatory stipulations about infrastructure.

How heavy regulations are is very difficult to determine without a kind of systematic study of the sort we rarely have outside the United States (Levy forthcoming b). The private sector complains that regulations are onerous and unfair and that the market is the best regulator, critics complain regulations are sparse and inadequate to uphold the public interest. We can imagine a common gap between weightier regulations on the books and actual implementation.

Private complaints focus particularly on restrictions on fees as well as quotas by field of study, and staffing and infrastructural requirements. Affiliated institutions naturally lack autonomy where they must conform to university rules on access, salaries, examinations, and so forth.

As has been established for other regions, private sectors have to weigh the costs of regulation against a couple of derivative advantages. A key is legitimacy (Slantcheva and Levy 2007),

gaining a visible stamp of public approval. Related is that those private institutions that see themselves as solid want to be sorted out in the public and government mind from those that are more dubious. Also related is that some top administrators welcome the potential for sectoral and institutional improvement through meeting standards such as those in accreditation. On balance, however, it appears that Indian private higher education puts more weight on its need for autonomy than on a need for additional government-granted legitimacy (Ahmad and Siddiqui 2008).

Regulation is interwoven with the court role. As noted, despite the ways in which Indian higher education is not national or public, the Supreme Court is a potent higher education actor (Indiresan 2007; Gupta 2008; Neelakantan 2005). It often gets into the action largely because of ambiguities in who has the authority over what. Prominent recent issues have included fees and admissions policies, the latter encompassing group quotas that appear extreme by international standards, though it is not always clear how much quotas fall onto privates.²⁷ On the other hand, Supreme Court rulings have insisted that merit be the criteria for admissions (Singh and Mishra 2008), which can be interpreted in ways that undermine private institutional autonomy and cast aspersions on its student body. The Court continually wrestles with socialist traditions and values on the one hand and liberalization with ample individual choice in a new competitive environment on the other. Just as ambiguities in the broader decentralized political structures beckon the Court in, so ambiguities and conflicts produce contradictory Court rulings (Gupta 2008). Probably the most dramatic anti-private ruling came in 2005, declaring that Chhattisgarh's 2002 creation act would be null and void as circumventing proper UGC authority over degree authorization and declaring that most of the new private institutions were too flimsy. Here again we can see the theme of uncertainty that few private sectors find comfortable. At the same time, the regulatory system has not provided incentives for private higher education to improve their quality.

CONCLUSION

The search for comparisons between Indian and international private higher education has predictably highlighted many commonalities and many differences. But in summation the two are unequal in weight and number. The commonalities are more extensive and powerful.

The commonalities between India and dominant global tendencies include, on expansion, rapid recent growth, even after decades dominated by "publicization." Now demand for higher education exceeds public supply, and is spurred by revamped political-economic development policy. Private expansion is particularly robust in the most developed and market-oriented

states. Growth of private higher education goes hand-in-hand with the partial privatization of public institutions. India's private proportion of total enrollment is roughly similar to the evolving global average. In regard to types of institutions, the private sector is especially concentrated in non-universities and in small institutions. Religious orientations are noteworthy, especially early on in a private sector's life. Elite academic universities are rare in private sectors, though the future could be distinct in both India and beyond. To this point, however, private higher education institutions are overwhelmingly commercial in nature. The border between the nonprofits and profit orientations is fuzzy. Much of private higher education, at least of successful private higher education, is tied to business and employment missions.

On the financial side a crucial commonality between India and global norms is private dependence on private funds, especially fees. Philanthropy and other private giving are rather limited, though prestigious institutions naturally receive more than others. Finance is intimately connected with private higher education's dominant commercialism. Politically, backing obviously comes from business and the right, opposition more from the left, including the public university. Even inside government important differences are notable. Regulation is variable and hard to measure in cross-national context. The private institutions decry excesses, critics decry inadequacies. Fees and access policies are major regulatory issues.

But differences between Indian and global experiences are also noteworthy. The differences themselves usually have to be qualified—they are differences only by matters of degree. Yet they in turn qualify the generalizations about commonality. In fact, most differences can be cast as mixes of differences and commonalities. And where India is unusual it is rarely unique.

In regard to expansion, these partial differences include India's comparatively potent private growth, alongside an unusually potent partial privatization of public universities. On the other hand, private expansion has not brought India to the private numerical domination seen in many Asian countries. In regard to types of institutions, India lacks the public elite standing often seen elsewhere. At the same time, it has an unusually large presence of private non-universities with semi-elite standing. India's religious sub-sector stands out for its reflection of an atypically diverse population, without simply one large majority juxtaposed to small minorities.

On the financial front, government funding of private higher education is particularly marginal. Philanthropy has greater tradition than is common in most countries but much more potent has been the reality of high fees, even at non-peak institutions. Politically, a stark distinctive Indian characteristic is decentralization. States are crucial arenas even for the private sector. Political parties are active and the macro-politics are, after all, democratic. Striking is the role of India's courts. Overall, Indian political divisions are comparatively raw between those who largely support or are unsympathetic to private higher education.

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NOTES

¹ The main book basically on Indian private higher education, though including the privatization of public higher education, is Gupta, Levy, and Powar 2008. Source dealing with private higher education more within the overall higher education system include Agarwal 2006, Agarwal 2007, Higher-Edge 2006, Powar 2002, Raju and Powar 2004, and Rudolph and Rudolph 1972. A piece on Indian higher education in comparative regional perspective is Jayaram (1997).

² Few private colleges are un-affiliated and degree-granting. Private universities do not need to affiliate but neither can they be the universities to which colleges affiliate.

³ For typical Indian figures, see Ahmad & Siddiqui 2008, Agarwal 2006, Jayaram 2007, and Levy 2008. UNESCO shows top-end estimates.

⁴ Pakistan, however, has initiated important higher education reforms, emphasizing the value of expanded quantity and quality for higher and other education (World Bank 2006). For unflattering comparisons with China, see Broitman 2003.

⁵ An additional special opportunity for growth lies in female enrollment. Despite huge growth from just 10 percent of the total in 1950, the female share still lags, at 40 percent, predictably far worse in many specific fields (Agarwal 2006). Yet women's representation in countries' private sectors often exceeds that in the public sector.

⁶ Gnanam (2008) and Azad (2008). A predecessor of India's contemporary private surge would be the Tata Institute, 1919, showing the fruits of major philanthropy. There is now both a management and a social science Tata and they are now known as deemed universities but both are now almost fully government financed. In contrast, the Birla Institute of Technology and Science, which began as a school in the early 1900s, is now a good example of a self-financed deemed university.

⁷ For an analysis of how systems turn from dual-sector private and public to essentially public—a transformation crucial to India post-Independence—see Levy (1982). In Chile, the private sector had accounted for a minority of enrollment; in India, in contrast, the “publicization” applied to the bulk of higher education and was in that sense more dramatic. Many advocates of privatization today, whether in higher education or other fields, like to emphasize how privateness has long tradition and that extreme publicness has been far from a natural or inevitable tendency (Savas 2000).

⁸ I thank Pawan Agarwal for help deciphering and updating these figures. The Amity University at Noida was established under an act of Uttar Pradesh state but is not included in the UGC list. Not all but most deemed universities are private, often owned by wealthy families. See Lakshman 2006 on prospects for foreign universities entering India.

⁹ Some communist countries, such as Russia, had never had private higher education, whereas others, such as China, did have a tradition to revive. Like China's with the advent of communism in 1949, Cuba's private higher education was negated by the communist takeover of 1949.

¹⁰ The character of the new institutions contrasts with India's early privates, mostly religious and charitable on the one hand, or family or individually owned on the other. Elsewhere too it is common for a first private wave to be largely religious, with more recent growth concentrated more in secular, commercial institutions.

¹¹ Gupta 2008. Kapur and Mehta (2004) downplay middle-class demand and emphasize the role of entrepreneurial politicians (a point that echoes the Nigerian case). The same authors emphasize the role of public sector "breakdown" in private growth. The classic public breakdown argument for higher education has been made in Latin America (Levy 1986) and secondarily for Africa but less for Asia.

¹² Yet in India colleges are a part of the university system insofar as they are affiliated to universities.

¹³ Increasingly in the conceptual literature on private higher education we have expanded the religious category to a cultural identity category, including ethnic, language, and gender dimensions but we have not analyzed those features for India.

¹⁴ Thus, whereas religious cannot match demand-absorption as a key to access and growth, either in India or internationally, it certainly has played a complementary role, perhaps most notably for religious minorities not accommodated in public or mainstream private universities. This is a point Collier (2008) specifically makes regarding U.S. Catholics historically but she also shows how Catholic colleges would increasingly provide access to non-Catholics and increasingly commercialize.

¹⁵ Such comparisons can be tricky, however, and India does not appear to lag Japan or South Korea (Altbach 2006).

¹⁶ Jayaram 2007: 88; Indiresan 2007: 99. India has no universities in the world's top 200 ranked and, more strikingly, has none among at least the top 25 in Asia (Levy in progress).

¹⁷ There is also a history of criticism of the company on environmental and humanitarian grounds, with a jaundiced eye from the Supreme Court. The site of the proposed campus is said to obey corporate interest more than university rationales: Business—dirty business at that—over academics.

¹⁸ It is not always clear where an operational dividing point lies for which colleges are considered public or private. Powar refers to greater than 15 percent financing from government but others refer to majority public funding. Moreover, most of the grants-in-aid "private" colleges are predominantly funded by government, perhaps 95 percent (Gnanam 2008). For comparative financial references, including on India, see Levy 1982.

¹⁹ In such cases, the public institutions that get state funding are owned by the state. In the United States there are virtually no national universities; national (federal) finance is mostly for research and student assistance, whereas state governments handle most of their institutions' annual costs—or at least long did so whereas even state universities often now count on that funding for only a minority of their income, as tuition and myriad other forms of self-financing increase (Bok 2003).

²⁰ Perhaps a third of Indian higher education institutions get no public funds and a few institutions, with less than 2 percent of the enrollment, get over 85 percent of the central government funding (Agarwal 2006).

²¹ Some leading private institutions have begun to give aid to needy students (Stella 2008).

²² Singh and Mishra 2008. Gnanam (2008) argues that Indian private higher education has been allowed to be de facto for profit for two decades (and badly needs more regulation). Additionally, there is a case that not just government policy but institutional policy undermines profit incentives. This is the position taken by the Manipal business group in regard to its Manipal Academy of Higher Education, a deemed university. The group laments that like other educational institutions the academy slips into non-profit inefficiencies and now needs a crash course in proper practices.

²³ Mandke 2008. On the general context of international branch campuses, see Lane forthcoming.

²⁴ A 1997 finance ministry White Paper suggested that public subsidies for higher education represented a non-merit good (Azad 2008).

²⁵ Gupta 2008. Related conflicts pit states or private institutions against the AICTE, as on examination malpractices in Tamil Nadu, putting engineering college on notice to show why they should not be banned from admissions (*New India Express*, "Admissions for 2004/05," June 4, 2004.)

²⁶ Outside the university sector, public institutions such as the Indian Institutes of Technology have government representation on their boards.

²⁷ If heavy quotas for disadvantaged populations get implemented at public institutions and much less at private ones, then we might based on historical international experience expect further flight from public to private sector by privileged families.