

PRIVATISATION

Meaning

Privatisation is the transfer of control of ownership from public sector to private sectors. It means the conversion of property rights from the public to private owners. Privatization means transfer of ownership and/or management of an enterprise from the public sector to the private sector. It also means the withdrawal of the state from an industry or sector partially or fully. Privatization is opening up of an industry that has been reserved for public sector to the private sector. Privatization means replacing government monopolies with the competitive pressures of the marketplace to encourage efficiency, quality and innovation in the delivery of goods and services.

Advantages

1. Helps in reducing the burden on government.
2. Makes the PSUs competitive.

3. Greater autonomy for PSUs managers.
4. Industrial growth.
5. Better service to customers.
6. Privatization helps to reduce the burden on Govt.
7. It will help profit making public sector unit to modernize and diversify their business.
8. It will help in making public sector unit more competitive.
9. It will help to improving the quality of decision making, because the decisions are free from any political interference.
10. Privatization may help in reviving sick units which are the liability of the public sector.
11. It Encourage the new innovations without any restrictions.
12. Industrial growth.
13. Increase the foreign investment.
14. Increase in efficiency.

Disadvantages

1. Encourages the growth of monopoly power.
2. Privatisation may be prefer only for profit making PSUs.
3. Unbalance development of industries.
4. Compromise of social justice and public welfare.
5. Increased in corruption.
6. Industrial sickness.
7. Lack of welfare.
8. Class struggle.
9. Increase in inequality.
10. Opposition by employees.
11. Problem of financing.
12. Increase in unemployment.
13. Ignores the weaker sections.
14. Ignores the national importance

PRIVATIZATION OF EDUCATION

After the independence, providing higher education was the responsibility of the State. The institutes offering education were therefore 'public' in character. However, massification of higher education and subsequent rise in institutes and universities placed unbearable financial burden on the State. The State had no choice to permit private enterprises to start institutes. The LPG process has given boost to this process as a result different categories of edu-providers emerged.

Powar (2011) suggested following typology for these education providers:

Traditional Providers: 1. Universities and Colleges

Recent Providers: 1. HEIs in Professional Disciplines, 2. Open Universities, 3. Autonomous Institutions, Training Centres and Coaching Classes

Emerging Providers: 1. Consortia and Networks, 2. Company HEIs, 3. Corporate Universities / HEIs, 4. Virtual Universities, 5. Diploma and Degree 'Mills'

India is one of the most populated country of the world where much of the population are very poor. One of the important tasks of any Government is to provide education to all and improve the literacy rate of the country to march a head in the development of the country. Till now our education system is mainly oriented on Government based public system. Public education system primarily concentrates on giving education to large masses rather than giving importance to providing quality education. Due to this, the quality of education in our primary, secondary and colleges fallen below the standards which gave scope for the private organizations to dominate over public education system at present. The situation has reached a stage where Government authorities also believe that it is good for the Government to privatize education to reduce the burden in running the Government public education institutions at all levels. Now, the question is, if such a thing happens, is it possible to implement Right to Education act provision which envisages right to free education to all which was passed in the Parliament in the year 2009.

Need of Privatization of Education in India

In the past our Government institutions are the basis for education in India. These institutions worked very well in the past because of very honest people used to work in those times with great dedication. But, as time passed Government educational institution became lethargic because of inefficient functioning of our Governments, lack of proper grip of Government on the management of these institutions. More than this the teachers who are working in these institutions are not much bothered about their duties because they are having job security. These reasons made worsening of standards in these institutions and this gave a lee way for the origin of private institutions. The running of private institutions mainly depend upon the quality education they provide and the result they show out of their efforts. The managements of these institutes have to put their heart and souls in order to such goals. For this the private institutions have to stick on to their tasks and put a lot of hard work when compared to their Government counterpart institutions. In this way the disciplined and efficient way of functioning of these institutions attracted public. At first rich people got attracted to these institutions and slowly the middle class as well as ordinary people also trying their best to join their wards in these institutions because of the quality education they are providing. Government is spend lot of money on their educational institutions on infrastructure, facilities, salaries for the employees who are working in these institutes without any positive encouragement make them talk about privatization of educational institutes which saves a lot of money in their annual budgets.

Factors Responsible for Privatization of Higher Education

Need for Competitive Efficiency: Main justification for privatization rests heavily on the grounds of efficiency to promote a more competitive economic environment. Operation of public sector enterprises is considered inefficient. It is believed that private ownership and control are more efficient in terms of resource allocation and work.

Growth in Population: India has a population of nearly one hundred and seven cores. In order to provide to a large number of people, more private institutions are needed. To fulfill the demand for higher education of young people in the country privatization of higher education is needed.

Financial Burden on Government: Higher education in India is in financial stress. The government can no longer bear the financial burden of public enterprises. Current spending on education in India is not more than 3.5% of GDP. The center itself concedes that the minimum should be 6%. Very little is being spent on higher education. This compares unfavorably with the international levels. Therefore there is a need to evolve policy through which private resources are mobilized.

Education is an Economic Good: Education is no more being as a social service but as a necessary economic input. Investment in education is treated as a factor contributing to the development of human resources. In this effort private initiative can help since the private sector is the beneficiary of the knowledge industry.

Quest for Quality: Private institutions do not require long procedures for procurement of human as well as material resources. In order to purchase and maintain good qualitative infrastructure and equipment like furniture, buildings, different types of laboratories and qualified and competent academic staff, who can be paid as per the demand, there is a need for privatization.

Rapid Growth of School Education: Growing number of schools naturally push the demand higher education which the government is not able to provide.

Fulfilling the Need for Skilled Manpower: There is very little initiative from the public sector due to limited freedom. Private institutions are free to initiate modern and advanced courses in order to fulfill the demand for subjects which facilitate economic development of the market and the nation.

Curtailement of Corruption: In order to control the corruption in the government sector, private sector is much needed. Privatization stops the corruption to some extent and brings about some discipline. As a result there will be capacity utilization.

Desire for More Autonomy: Privatization of higher education will provide autonomy to institutions and there will be less dependency on the government. This will remove political interference in areas of administration, management and finance.

Synergy for Information Based Economy: In the present times there is a need for interaction between UGC, academic institutions of higher learning, industry, R&D institutions and funding agencies. This could be achieved by a synergy process wherein they will be partners in various activities, complementing each other in reaching their visions, objectives and goals.

Technological Developments: Information revolution has been brought about and strengthened due to technological developments such as microchips, genetics, communications, robots, lasers, growth of satellite TV and computer technologies. Due to limited resources public sector cannot

meet the demands of the industry and other sectors of economy. Thus private sector can undertake to train manpower in technology and respond to market demands.

Greater Responsibility with the Recipients of Education: Over the years education has been considered as a free public good thereby devaluing education. Privatization of education where the recipient will bear the full cost will help bring greater responsibility in them. As a consequence, students are likely to demand greater efficiency and quality in teaching.

Advantages of Privatization of Education

1. It provides quality education to our children because of the disciplined and efficient functioning of these institutes.
2. The institutes always look for up gradation of the technologies that what they use in their institutes so that they are always up to date to the present times.
3. Public may feel happy because the time and money they spend on their wards may not get wasted in any way.
4. Private schools give parents greater freedom of choice to get their children admitted.
5. Many of the private schools have centuries of old traditions (such as Mayo College, Ajmer) behind them and so they are a precious part of our national heritage and culture. They also often have excellent records of academic and sporting achievements.
6. These schools benefit from establishing social contacts which will help them in later life.
7. These schools have the freedom to use experimental methods of schooling.
8. Privatization will enhance:
 - a. Decentralization and de-bureaucratization of educational institutions
 - b. Initiatives in educational reforms
 - c. Innovativeness in teaching and evaluation
 - d. Tailor made services and provision of wide choice of courses and subjects to students
 - e. Competition
 - f. Quality education and training
 - g. Shaping of the curriculum according to global, national and local needs
 - h. Availability and better maintenance of resources
 - i. Transparency in all procedures
 - j. Fulfil the need of the country in liberalization, privatization, and globalization.
 - k. Utility of human and physical resources in proper way

Disadvantages of Privatization of Education

- a. Because of complete privatization rich, middle class and poor

people have to depend on these private institutes for the education of their wards. This definitely affects the education system in India and many people cannot even complete their primary education as cost of the education in private institutions is not feasible for the poor or even for ordinary people. There will be a drop in percentage of education in higher, Degree and PG level of education.

- b. Private institutions turn education institutions into private business firms and this makes the value of education go down.
- c. Privatization makes education costlier even for rich people.

Fears in Privatization of Education

1. Privatizing education
2. Will adversely affect the poor
3. Undermine equity, diversity and openness
4. Does not address issues of equality, fairness and responsibility
5. Exorbitant fees will deprive many of availing education
6. Accountability problem will arise
7. Courses in humanities and social sciences will be sidelined due to no economic gain
8. Civic and democratic values may not get passed down
9. Apprehensions about job security and retrenchment of staff
10. Cost saving will lead cost cutting
11. Collected funds may be misused by the owners
12. Favouritism towards family members and friends
13. Benefits remain unproven

In one way privatization leads to improvement of quality education in our education system but on other hand it deprives free education to all now as it is envisaged in our constitution. Improvement of Government institutions in the present situation appears to be bleak. The better option appears to be aiding private organizations by providing infrastructure facilities, basic amenities etc. by the Government which makes our education system work efficiently. But to provide quality education to the poor also, Government has to adopt an efficient money transfer system as fees for the poor child to study private institutes.