



Neo-liberalism and Higher Education in India

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ABSTRACT: *Neo-liberalism is a theory of political economic practices. Since the 1990's the word 'neo-liberalism' has been used for global market-liberalism and for free-trade policies. In India, the onset of the debt and fiscal crises of 1990's triggered economic policies of liberalization of national economy in conformity with IMF and World Bank orthodoxy that was rooted in neoliberal ideology. Synchronizing with the opening up of markets the state gave shape to an educational reform arbitrarily borrowed from the western neoliberal educational paradigm displacing egalitarian commitments in education. It radically redefines the character and purposes of education particularly higher education in India. This paper highlights the policies for higher education in India within the context of neo-liberal economic reforms and how these neo-liberal agendas have increased inequalities and diminished democratic accountability. It analyzes some effects of neo-liberal policies on goals, motivations, methods, standards of excellence and freedom in Indian higher education system. It is pointed out that the goal of these policies is to prepare skilled and cheap but slavish workforce for meeting the requirement of profiteering, greed and hegemony of the global market substituting constitutional principles of equality and social justice. Opposing the neo-liberal premises, the paper is concluded by looking for resistance to the neo-liberal deformation of education to develop an education system as a process of social development and transformation and by calling for arranging equitable access and quality higher education for all.*

Keywords: *Capitalism, Knowledge economy, Marketization, Neo-Liberalism, Privatization*

I. INTRODUCTION

Neo-liberalism is in the first instance a theory of political economic practices. *Neo-liberalism* is not really 'new' at all. It is premised on the nineteenth-century liberal belief that unregulated markets, rather than the state or public institutions, will produce all of the social or public goods we need. This *Neo-liberal* ideology was grounded in the 'classical liberal tradition', which was primarily hailed by Adam Smith in his treatise, *The Wealth of Nations*, in 1776. For Smith, the individual should be freed from government interventions to enhance the wealth of nations. Thus, markets should be treated as the best forces to coordinate and distribute the productions and goods effectively. However, neo-liberalism goes beyond classical liberalism by embracing *market fundamentalism* since state interference in the market mechanism contributes to poor economic performance. It results in a world dominated by unregulated markets, where "inequality and private power shape the social order,"

The main mechanism through which neoliberal economic reforms were introduced and operated in the world has been the General Agreement on Tariffs and Trade (GATT) followed by the World Trade Organisation (WTO). Since the 1990's the word '*neo-liberalism*' has been used for global market-liberalism ('capitalism') and for free-trade policies. Within a short period, every sector has been reshaped and dominated by neo-liberalism. Developing countries are forced to take up neoliberal policy agenda in their national economic development in order to fulfil the conditions set by the World Bank and IMF for getting loans and aids. In this way developing countries are led to import the neoliberal agenda into their own development policy.

II. NEO- LIBERALISM IN THE HIGHER EDUCATION SECTOR AROUND THE WORLD

The neoliberal policy agenda has spread into the education sector throughout the western world. Although the education sector was not the prime focus of IFIs until the 1970s, their view changed in the 1980s. Through various agreements (for instance, GATS, which came into force on January 1, 1995) the WTO aimed to liberalise trade in services. The immediate impact would be the privatization of some services that have so far been provided by governments. Governments would be obliged to sell off such services as housing, education and water. There are three processes of integrating neo-liberalism in the education sector. First, the educational service market is opened up to profit based educational management through international trade and investment agreement, such as the General Agreement on Trade in Services (GATS). Second, educational costs are reduced. This reduction often happens through downsizing, such as closing school libraries, reducing the number of *special needs teachers and increasing class sizes*. Third, curriculum standards and "accountability" are created. But the main agenda of neo-liberalism in education is to privatise and decentralise public education.

Initially, the attempt to incorporate the neoliberal policy agenda was made primarily in the primary and secondary education sector. From the 1980s, it has been a worldwide trend for universities to adopt commercial models of knowledge, skills, curriculum, finance, accounting, and management organisation. Under the influence of neo-liberal ideology, government policy has deliberately facilitated the "commercialization" of universities. Governments have increasingly seen universities as economic institutions serving economic goals, specifically, power and profits in the global, knowledge economy. They have, therefore, required them to become more "accountable"; to be managed like businesses; to measure research and curricula in terms of their cost and commercial impact; to rely more heavily on larger classes and part-time faculty. Reduced public funding for universities has required them to become more dependent on corporate funding and commercial endeavours. Entrepreneurial practices are adopted in many universities in which the universities not only develop profit making activities but also become business partners. Many universities have adapted business models, cutting costs, reducing academic activities, increasing faculty teaching responsibility, and privatising various institutional functions.

In promoting a neoliberal agenda in the higher education sector, the World Bank provided all the necessary support to developing countries. The key features of this policy are privatisation, deregulation, and marketization of the higher education sector. In the higher education sector; the neoliberal agenda proposes four major areas for reforms. These are efficiency and accountability of the university, accreditation and universalization, international competitiveness, and privatisation.

In order to incorporate the neoliberal policy agenda in the higher education sector, the World Bank (1998) proposed ten recommendations, namely to introduce a large amount of registration fees, to charge full fees for room and board, introduce a mechanism to investigate economic resources for student loans and grants, introduce student loans based on the market interest, introduce private companies to collect student loans, impose graduation fees and implement them, promote philanthropy, ensure entrepreneurial training for improving quality education, offer for sale research project findings and training courses, and increase the number of private institutions with a decrease in public education etc.

Following the neoliberal policy agenda in the higher education sector, the role of higher education institutes is gradually constrained. The university's role as an independent institution is increasingly threatened by the interests of corporations. As a consequence of neo-liberalism, higher education is being transformed from public to private institutions, in which students are forced to pay more for education. Hence, universities become "corporations selling products," knowledge becomes a commodity, professors become "entrepreneurs," university administrators become managers, students become "customers" and "consumers," . The objective of this paper is to highlight the policies for higher education in India within this context of neo-liberal economic reforms. Thus, the paper has been conceptualized around the questions –

- How does higher education system of India fit into the neo-liberal agenda or market driven forces?
- In what way does neoliberalism promote the values of a free market culture that upholds the prevailing capitalist system in India?
- How do these neo-liberal agendas have increased inequalities and diminished democratic accountability?

This paper is analytic and qualitative in nature. The overall approach is one of critical analysis, applying what is discussed in different international and national literature documents from policy makers, commentators and governmental policy about impact of neo-liberalism in the higher education sector.

III. THE NEOLIBERAL SHIFTS IN THE HIGHER EDUCATION SECTOR IN INDIA

In India after independence, Jawaharlal Nehru, initiated a massive strategy of development for a "socialistic pattern of society" by the means of centralized democratic planning which was articulated in five years plans. The first evidence of the Indian state's readiness to kowtow to the neo-liberal policy framework in education is the change made in 1985 in the name of the concerned ministry of education to Ministry from Ministry of education to ministry of Human Resource development. This implied a change in the very purpose of education from one of social development and preparation of citizenry as envisaged in the constitution to one of supplying skilled but slavish workforce for the global market. In 1991, to deal with a serious crisis of balance of payment in international trade and the fiscal overload, the government of India was driven to make a paradigm shift to neoliberal capitalist reforms (i.e. 'free market'). In an antithesis to the notion of socialistic collectivism of Nehruvian times and varied populism of post Nehruvian era, neo-liberalism viewed private enterprise and market as the key to prosperity against the ideal of social justice. Synchronizing with the opening up of markets the state engineered a new political economy of education and gave shape to an educational reform package comprising ideas and strategies, arbitrarily borrowed from the western neoliberal educational paradigm displacing egalitarian commitments in education. Consequently, the neo-liberal agenda radically redefine the character and purposes of education particularly higher education in India continuing colonial education in different masks. Universities are expected to supply skilled manpower for the global market.

In India we cannot get exemption in education from application of GATS, because education at all levels, particularly at higher education is not entirely free. During the freedom struggle and even after independence higher education was meant to meet the challenges of democratic nation. Higher education was seen as a channel for promoting chosen social values. India signed the World Trade Organization (WTO) Agreement including General Agreement on Trade in Services (GATS) in 1994 as part of a single undertaking, which came into force in 1995. Therefore, WTO has an important impact on the higher education system in India. The policy prescriptions of the WTO argued against the use of public funding for an expansion of higher education. The WB's report – "*Higher education : Lessons of Experience*" - termed higher education as private and quasi- private good which allow students-consumer to command a better market for their skill. A first step towards the implementation of the neoliberal policy agenda has been the introduction of private universities Act (1995). It declared higher education as 'non-merit good' whereas school education was put into the categories of 'merit goods'. Following these subsidies in higher education reduced in 1997. It was proposed that over a period of five years subsidies should be brought from 90% to 25%. This proposal was boosted by 'Ambani-Birla Report' in 2000, which recommended entire removal of subsidize system. This report gave emphasis to convert higher education into a fully controlled profitable market. It argued that higher education should be left to corporate sector investments so that the number of post secondary institution could be doubled by 2015. It wanted "user pay" principle, with loan and grants for the needy, to be the means for making the investment profitable for the investors. Under the influence of Ambani-Birla Report, UGC recommended the restructuring of higher education on the market oriented enterprises promoting corporate values. Under neoliberal agendas India has agreed to consider education a tradable service. Further, it means that India has agreed for global trade in education without barriers. It reduce education a commodity and students a consumer. When education is reduced to commodity, not only poor and disadvantaged will be denied of it even, those who get it would not get it worth the name. Neoliberal shift is embedded in a market oriented, instrumentalist approach to knowledge designed at producing a cheap skilled but slavish workforce to serve the corporate controlled global economic agendas for profit subjugation and hegemony.

In the early nineties WB had declared higher education to be a private or quasi-private good. By 2000, its focus had shifted. WB Task force Report pressed for urgent action in developing countries to expand the quantity and improve the quality of higher education to get benefit from the global knowledge based economy. An emphasis was given on creating a 'meritocratic' society that is able to give leadership in global market.

Thus, in WB's new report titled; "**Constructing Knowledge Societies: New Challenges for Tertiary Education (2002)**", higher education was again classified as a "public Good". In India private sectors boom in higher education and PPP became the mantra of all recommendations regarding higher education. Attempts have been made to make higher education more demand driven by relaxing bureaucratic hurdles to allow private sector to meet the demand of higher education and industry –university partnership. Predatory and powerful transnational corporations are targeting public education, particularly higher education, for profit making. As a consequence of trade liberalization of WTO, government support to higher education trend to withdraw from it.

Beginning with Ambani –Birla Report (2000) during NDA rule, Sam Pitrodas 'National Knowledge Commission' report and Yaspal Committee report on 'Renovation and rejuvenation of higher education' submitted during UPA-1 and UPA-2 governments respectively upheld and extended the neo-liberal agendas in education. With a view to legitimize and intensify neo-liberal assault UPA government has now introduced in the parliament the following four bills -

- Foreign in situations (Regulation of entry and operation) Bill.2010
- Educational Tribunals Bill, 2010
- The prohibition of Unfair Practices in Technical Educational Institutions, Medical Educational Institutions and University Bill, 2010
- The National Accreditation regulatory Authority For higher Educational Institutions Bill,2010

The government is now instituted the policy of Public private Partnership in all sector of education – a policy designed to shift public resources to the corporate (including foreign) capital and at the same time, allowing profiteering by hiking up fees. The neoliberal agendas further recognize the hidden agendas of providing low interest loan to the students is again facilitate the growth of expensive private / foreign educational institutions, rather than to help students. recently the decision to establish Education Finance Corporation of India Ltd. Has also been made with a view to provide low-interest loans not just to the students but also to corporate capitals and NGOs for setting up profit making educational institutions. Along with it, a policy for promoting unregulated FDI in higher education is going to be legitimized through new laws to be enacted in the parliament.

These neo liberal policy frameworks in education is being justified on the basis of a set of false premises

- The economic policy of state is limited and there is no option but to depend upon private domestic and foreign investors for funding education:
- Education is a service and not a right or entitlement and, therefore, equal provision for all need not be ensured and educational quality must be proportionate to one's capacity to pay ;and education is a tradable commodity ;hence, profiteering in education is a legitimate objective , just like any other trade .Private agencies ,compared to public institutions, can render better ,efficient and cost effective services , hence limited government funding should go to private agencies rather than to public institutions .The constitutional provision of equality and social justice can be replaced by neo-liberal principle of inclusion, therefore, the ideal 'free education to all' the scheme ;reimbursement for few'
- Education is a private good and, therefore, it is valid that quality of education one receives is proportionate to one's capacity to pay; and education is an industry for producing human resources for corporate and market needs rather than a social process for building enlightened and conscious human being for democratic society. Therefore character of education should be determined by market.

IV. CONSEQUENCES: NEO-LIBERALISM HEGEMONY AND CULTURE IN HIGHER EDUCATION IN INDIA

The neoliberal shift in the higher education sector in India explicitly changes the overall socio-cultural, political and economical patterns of society. Not only are philosophical and pedagogical aspects of higher education changed through the neoliberal policy agenda, but higher education also becomes a most expensive

commodity in contemporary India. To sum up, following are the consequences of the neoliberal shift in higher education in our country --.

- In terms of neoliberal hegemonic discourse, higher education in India is serving global capital. Graduates are produced for MNCs and the developed world rather than for national interests. The demands of the market also determine students' future destinations. Significant numbers of students are going abroad, although developed countries make no contribution to produce so called skilled graduates. We produce highly skilled migrants.
- The hegemony of neoliberal policy in the higher education sector perpetuates wrong assumptions in society. Society pursues market fundamentalism, and market related subjects are treated as a key for the survival of students. Therefore, the subjects like pure sciences, humanities, arts, and even social science related subjects are ignored entirely due to little linkage to the job market. Therefore higher education is not a quest of knowledge but a skill. Most of the universities are intending to meet the demand of the markets. Thus, the current generation is growing up without knowing national and international politics, history and their development.
- In order to accumulate capital, societal based higher education is gradually disappearing. Private universities wanted to attract the enrolment of students of the upper class. As private education is expensive, most of the students of private universities come from the rich class. Students from poor families have no access to private universities. Even students from middle class and upper middle class families are struggling to manage the high tuition fees in the private universities. Therefore, public universities were seen as the only place where students from poor families have access.
- In the last decades the number of graduates in market related subjects has increased. However, the job market is saturated; the unemployment rate is increasing, regardless of whether the students have a degree in the market related subjects. Often nonmarket related graduates are working beyond their areas.
- Public universities are always falling into financial crises. To meet that financial pressure, universities try to make joint initiatives with various market oriented forces to increase their internal financial capacity. They will introduce different new degree programmes with the financial support of international and national financial institutions, and of government and nongovernment sectors. The outcome of the neoliberal project will be that public higher education will become more expensive, with costs increasingly carried by the private individual in accordance with the 'user pays' principle.
- An education system based on market and corporate ideology offers no opportunity for students to develop critical thinking. Students have lost their self-esteem and self reliance, the higher sense of liberty and freedom. It "produces skilled labourers who are symbolically blind, disarmed, and brainless". They are treated as instruments for serving global capitalism, but have no critical insight into capitalist oppression, injustice. Commercially based higher education encourages students to be self-centred, and to ignore democratic practice in society.
- However the tuition fees of public universities have increased in recent years. Such a tendency of increasing tuition fees in public universities create burdens for lower income groups, and thus public universities will also not be places for students who belong to poor families. Public universities, like private universities, have transformed their education systems in line with the trends and demands of the market. The primary initiative was carried out through introducing a self financed programme. This policy indicates the intention of the state to give up the responsibility of the state towards higher education on the plea that it has no resources
- There is extensive reference to the skill, quality, and relevance but not access to education. It is cruel that those who have the resource end up with opportunity while those without resources end up as second rate individuals. In this process rich with less merit have a greater advantage than the meritorious without resources. The argument against reservation was that it may produce less meritorious doctor, engineer, and professionals that would become problematic to the society and counterproductive to production process. A doctor from the unprivileged may result in inferior doctor but a less meritorious person of privilege has greater chance of being inferior doctor and inferior human being too.

- A commercial mentality will grow within the teaching community. Many teachers in public universities are forced to be involved in the private universities, commercial consultancy or research firms. Sometimes teachers in both public and private universities treat higher education as an instrument of business rather than as a commitment to generate true knowledge for the benefit of society.
- The proposed new administrative system in the public universities will further extend the commercialisation of higher education. Universities will no longer be seen as public spaces for the protection and development of democratic values. Similarly, as the board of trustees keeps absolute power of control over private universities, that will impede the academic freedom of faculty members.
- Today, the number of student enrolments in the private universities is greater than that in public universities (Contribution of private sector to higher education is 1.8% and public sector contributes 1.2%). Private universities in India are increasing, but they do not maintain an educational environment conducive to student life. They established private universities anywhere to selling the degrees without quality infrastructure like physical facilities, libraries underpaid teachers' etc.

V. CONCLUSION

Neo-liberalism represents a most dangerous threat to higher education, public life, and democracy itself. We hope that public education department which are free from narrow profiteering can alone produce a new generation of youth which the society required for all round development .Education system must be envisioned in such a way that it can foster critical and human thought, respond with sensibility to the pupils aspirations for equitable distribution of resource, protect socio-cultural diversity and to secure democratic right guaranteed by the constitution. This need -abolition of trade in education, abandoning so called PPP, strengthening public university, democratizing administration in education, building an education system in conformity with the basic values of the constitution. We can say that knowledge agenda inherent in the neo liberal policy shift promote pro-market and pro –corporate development to the detrimental of the masses and their natural resource like land, forest, water with these policies govt are going to increase the social gap. What India need in this juncture instead is a plan to improve the quality of 500+ universities, 22,000 colleges along with several fold increase in public funding and the number of educational institutions in all disciplines, including professional areas. No country in the world can develop with a handful of foreign and the so called innovative university.

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