

# MARKETIZATION OF HIGHER EDUCATION: TRENDS AND CHALLENGES

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## **Abstract**

Marketization can be defined generally as the usage of market rules in order to improve “the production of public goods” (New Public Management Vocabulary). With marketization of higher education comes competition and the need to attract students who possess the fee paying capacity for academic programmes that are ‘customized’ to their needs.

After 150 years of the establishment of the universities (The universities of Calcutta, Madras and Bombay were established in 1857), there is indeed the ‘Revival of Macaulay’ as big businesses and policy makers are responding to market demands and marching all out towards commercialization of higher education in India.

Marketization of higher education systems are found to be creating serious problems in terms of access, quality and equity in higher education. It also affects student attitude in terms of consumer orientation.

**Keywords:** Higher Education, Communitarian, Marketization, Commodity, Expansion, Inclusion, Customer Orientation

## **1. INTRODUCTION**

Post-independence, the first Education Minister of India, Maulana Abul Kalam Azad conceptualized the creation of a national system of education based on liberal and humanitarian values and to develop a ‘national mind’ that would depart from the system that India had inherited from the colonial rule. The reports of committees and commissions on education charted out a roadmap for educational development and social development of India (Panikkar, 2011).

Today Universities are likened to big businesses, marketing themselves in the world-wide education market (Salter & Tapper, 2002) by hiring ‘image creators’ to give themselves an academic face lift and turn into a ‘brand’. This may also be referred as the ‘industrialization of higher education’. “Once the universities are governed by market- driven policies, the public good nature of higher education linked to communitarian and collective concerns shifts to more individualist, privatized interests” (Rhoads, Torres & Brewster, 2006, p.195). The public universities are “recurrently faced with budget crises forcing them to raise tuition and fees and freeze staff positions. Paradoxically, this happens at the same time universities are market themselves as institutions committed to teaching and learning” (Zemsky, 2004).

Universities that were entrusted with the responsibility of ‘nation building’ have been deeply influenced by the market-ideology. The crucial role of higher education for social and character development has been undervalued. Higher education has transformed from a ‘public good’ to a ‘consumable good’.

## 2. CURRENT SITUATION

The market ideology has motivated the students to perceive higher education as a medium to gain meaningful employment, attain professional growth and social status. Admissions happen based on purchasing power rather than on the basis of merit. It is argued that the changes in higher education have created tensions between university leaders and academics. Those with decision- making responsibilities find it difficult to resolve the dilemmas and to maintain optimum balance between academic integrity and long-term institutional sustenance in a market driven society.

Koris, R., et al (2014) explored the topic of student customer orientation at the level of educational experiences that a HEI provides. The study was based on a validated model of educational experiences, validated student-customer orientation questionnaire and a survey conducted among business students (N=405) in Estonia. The aim was to identify whether, in which categories of educational experience and to what extent students expect a HEI to be student customer oriented. The results of the study show that students expect to be treated as customers in some, but not all categories of educational experience that a HEI offers.

Jabbar A., et al (2018) noted that due to increasingly competitive funding models across the sector, many institutional leaders and administrators are making decisions typical of highly marketised consumer environments. Their findings indicate that academics perceived the

introduction of tuition fees to be the catalyst for students increasing demonstration of customer-like behaviour: viewing the education process as transactional, with the HEI providing a paid for service.

Application of the features of a market in terms of freedom to consumers (viz. freedom to choose the provider; product; adequate information on prices and quality and; direct and cost-covering prices) and freedom to the providers (viz. freedom of entry; specify the product; use available resources and; determine prices) of higher education will have a detrimental effect on the entire system of higher education (Chattopadhyay, 2009).

### 3. CHALLENGES IN THE INDIAN CONTEXT

The marketization of higher education with the support of the government in the globalized era has added to the disparities in educational opportunities and educational attainment by the 'rich' and the 'poor'. It bears a potential threat to divide the society into the 'rural elite' and the 'rural poor' and also the 'urban elite' and the 'urban poor'. As per the Indian Constitution, education is not meant for business. The role of the universities is to compete with each other for academic prestige or distinction and not for marketing education as a commodity. With the dominance of the neo-liberal market ideology in higher education in India, achieving the objectives of expansion, inclusion and excellence would be daunting.

While the Eleventh Five Year Plan (2007-2012) stated its three major objectives of achieving expansion, inclusion and excellence in the higher education system of India; the Twelfth Five Year Plan (2012-2017) envisaged its inclusive and qualitative expansion. However, the neo-liberal market ideology in education would make the achievement of these objectives a daunting task. This is because, "Higher education in India is been *de facto* commercialized" (Sharma, 2005, p.9). There seems to be a "lack of political will" for the inaction of the government (Tilak, 2008, p.523). "The matter in short is one of priorities and the government lacks *ipso facto* the political will to spread universal literacy through the curtailment of resources for higher education".

The successive Indian governments seem to have surrendered to dictates of the World Bank and resorted to promotion of commercialization through facilitating trade in higher education (Sharma, 2005, 2007). The Ambani Birla Report (2000), the National Knowledge Commission Report (2007) and the Yash Pal Committee Report on Renovation and Rejuvenation of Higher

Education (2009) upheld the neo-liberal agenda in higher education. The neo-liberal assault was further intensified by introducing a spate of bills in the Parliament - such as The Foreign Educational Institutions (Regulation of Entry and Operations) Bill, 2010; The Educational Tribunals Bill, 2010; The Prohibition of Unfair Practices in Technical Educational Institutions, Medical Educational Institutions and Universities Bill, 2010; and The National Accreditation Regulatory Authority for Higher Educational Institutions Bill, 2010. These bills were out rightly condemned on the grounds of promoting pro-market and pro-corporate agenda; facilitating and legitimizing profiteering from education through promotion of Foreign Direct Investment (FDI) and Public-Private Partnership (PPP) in education (All India Forum for Right to Education, 2010).

The Narayana Murthy Committee (2012) constituted by the Planning Commission of India spelt out its recommendations for corporate sector participation in higher education. Whether, the government would be successful in roping socially-conscious corporate organizations that have a history in genuine philanthropy in higher education; is still debatable (Mathews, Chittuparamban, Joshi & Dey, 2013). Recently, the NITI Aayog's "Three Year Action Agenda 2017-18 to 2019-20" suggests Indian universities to follow Singapore and China's model to transform into 'world class universities'. The proposal of a three tiered system of higher education governance calls for reduction in government funding, focus on providing more grants to promote innovations in science and technology in comparison to humanities and social sciences (Kundu, 2018).

The increase in student complaints of university teaching and services over the last years has been attributed in part to the growing customer culture in HE. It is speculated that because students feel more directly responsible for payment of fees, that they have greater say in how they are taught, how they are assessed and the overall quality of the services they are entitled to on campus.

#### **4. CONCLUSION**

Higher education initially a government-supported service has entered the marketplace. Universities are big businesses that are aggressively marketing themselves to turn into a brand. Funding of higher education is transferring gradually from the government to the students. Market ethics as an ideological force in higher education policy though has enhanced the participation rates, but the equity in educational opportunities has come under threat. Another challenge that higher education systems across the world face is that of quality education.

Market ideology has had a negative influence on the perception and the attitude of the youth to such an extent that success in life is measured in terms of monetary success and a diminished importance of education.

The growing marketization and commercialization has led to a decline in demand for liberal education. This business behaviour in higher education has created the problem of inequality of educational opportunities especially for the socio-economically disadvantaged. It is important both economically and on equity grounds, for increasing the number of government funded universities as against private higher education institutions that provide education of debatable quality.

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