

An Allocated Government Budgetary Rise the Privatization of Higher Education in India: A Conceptual Review

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Abstract: - An allocated government budget to the higher education in India has been a very complicated. It has prominently been a state and centre funded activity. The needs of the education system have been on the rise and the funds generated from the government bodies have been declining. It has been true that the public budgets cannot adequately fund higher education. So to fulfil the need of growth several policy decisions proposals are made, including 'privatization'. This paper attempts to overview the present pattern of funding available for higher education in India also discusses the desirability and feasibility of the alternative methods. Higher education in India is generally state and centre funded but as the system is developing more demand of fund becomes a crucial problem.

Index Term/Keywords: *Technical Education, Higher Education, Financing, Privatization, Budget Allocation, Globalization, FDI.*

1. Introduction

Education is a process of instructions aimed at comprehensive development of a person. It plays a very important role in the development of nation and its youth. Education carries the responsibility to transform human beings into the potential resources that enables them to further contribute towards societal development (*Gopalan 2001*). At its core, education encompasses the transferring of wisdom and skills from one generation to other. In our modern society, education is delivered through institutionalized systems. Here, higher education provides an opportunity to develop specialized tools for building a knowledge driven society. Teaching, research, applied work and training are the components of higher education imparted under vocational, undergraduate, and postgraduate programs (*Sobti 2010*). Higher educational institutions provide the necessary trained and educated human resources required for the development and implementation of various programmes required for the growth and development of a nation.

In a developing country like India, the development of higher education is of utmost significance for national progress and development. Till the dusk of last century, the expansion of higher education was heavily depended on public investment. However, the years forth, it has been relying considerably on non-public sources of funding. This sector continues to be in a financial crisis, despite large investments with escalating cost and increasing needs of the system, on the one hand, and declining resources, on the other. Therefore, in order to deal with the financial crisis, the higher education institutions have to explore some alternative sources of financing, apart from government's intervention. Privatization of higher education has emerged in several forms and types in recent times. This includes privatization within government higher education institutions in the form of introducing self-financing courses within government institutions; converting government aided private institutions into private self-financing institutions and expansion of self-financing private institutions (*Singh 2011*). Thus, the growth of private aided and unaided colleges should be treated as a process of privatization of higher education. One of the major difference between aided and unaided colleges is in respect of funds. While the aided colleges are supported by the government, the unaided colleges have to raise their own funding. Aided colleges need not have only aided courses. In fact, many of the aided colleges do have many unaided courses which are also referred to as self-financing courses. This implies that development of unaided courses in private aided colleges contributes towards the growth of these institutions. The main aim behind launching self-financing courses was to vocationalise higher education. The policy of the University Grants Commission (UGC) was to equip students through an add-on-course with some practical knowledge along with the bachelor's degree. As stated earlier, the progress of a nation depends on the standards of its educational system and institutions. The successful running of any educational system depends mainly upon the teacher, the students, the curriculum and the infrastructure.

2. Review of Literature

This paper attempts to present a survey of studies conducted on higher education, privatization of higher education, self-financing higher education, higher education institutions. Higher education is an engine of economic growth in any country including India. It supports knowledge driven economic growth strategies. Education plays a vital role in economic development of a nation. Investment in education and other related activities contributes to the growth of an economy.

2.1 Budgetary Aspect to the Higher Education

(*P. Agrawal 2006*) presented a paper that focusses on global higher education issues and the national responsibilities towards these issue or challenges. This paper investigates the developing growth of higher education system in India as per financing allocation or expenditure on higher education. According to this investigation, the funding allocation to the higher education system did not shows an appropriate pattern, because of this access of higher education then being costlier. The author provides some suggestion to makes higher education accessible at low cost by finding the new potential resource of financing. Another suggestion given by author was that need of flexible higher education system that could be provide skills and training to candidate which driving force the economy of the country and integrate with global standard and economy. (*Bikas Sanval et al. 2006*) analyzed the influenced factor of financial support towards higher education by the Government of India. Through this paper the author tries to formulated that the relationship is inversely proportion between budget expenditure allocation to higher education and its responsibilities, and they also suggested the ways to allocating funds towards higher education at different levels i.e. central and states level institutional fund allocation. This paper discusses the responsibilities taken by the state level governing bodies to financing the higher education system with a posteriori demonstration. According to this paper the financial support to higher education provided by the state level regulatory bodies had gone through rapid decay over the years and not fulfilled the need of current scenario so there were a requirement of external funding, partnerships with other strengthen body of entities. In the context of participation, responsibilities of privatization of higher education system i.e. public institution managed by private player, private institution establishment with the help of governing supports, standalone private institution or self-finance institution, and for profit model based private institution were discussed in this paper after analysis the budget expenditure allocation to higher education system. (*V. Prakash 2007*) presented a critical study on challenges arising in higher education system and suggested some solution to these issues. This paper discusses the issues facet by the growth of higher education i.e. quality, fund allocation, access, equity, privatization and globalization and also there was a need of making a comprehensive database. A detailed investigation was presented in this paper that investigate the variation in participation across social groups, states and gender. He was also presented an overview on pattern of expansion in higher education system in India and also discusses the financing trends of higher education and its requirements to achieve the target of allocation as per GDP to education. (*H. N. Weiler 2007*) discusses the numerous challenges against higher education sector of India. According to this paper private and public funds support both are needed in higher education of India. In this paper the author has been tried to explain the role of higher education as future perspective of India and also explain importance and potential of education and their implication for development of nation or individuals. (*Dulomoni Goswami 2015*) presented the analyses of financing higher education in India as per public expenditure budget allocation with the help of union budget for allocating funds in higher education of India from the year of 2007-08 to 2014-15 and also through this paper author discusses the growth of higher education in India according to five year plan. (*Madha Gupte 2015*) presented a financing discussion of higher education system as per budgetary allocation through five year plan of GOI. Through this paper author presented a detailed study on privatization in higher education system of India and also suggested the ways which could help to reduce the funding burden of government in future. This paper concealed that the major problem of deficiency of financial resources confronting our higher education system so there is a mandatory need to find out innovation resource, new avenues which will augments the resources as financing the higher education and strengthen the education system.

2.1.1 Budgetary Allocation

All the activities such as under-graduation, post-graduation, doctoral degree and certificates in higher and technical education handled on the basis of rules and regulations as prescribed by the MHRD to educated and trained candidates above 18 year of age after completion of their schooling. The budget allocated for the higher education is amount of 38,317 (Rupees in Crore) by the Ministry of Human Resource Development. It has approx. 40 % of total budget allocated to Ministry's by the Government of India and 14.30 % more than the revised estimate of 2018-19 as shown in the table 1.

Table 1: Budget Allocation for the MHRD (2019-20) (In Rs. Crore)

Department	Actuals 2017-18	RE 2018-19	BE 2019-20	% Change (RE to BE)
Higher Education	33614	33512	38317	14.30 %

Source: PRS Legislative Research [Demand for Grants 2019-20 Analysis, Human Resource Development], (1 Crore is 10 million)

Note: BE – Budget Estimate, RE – Revised Estimate, Source: Expenditure Budget, Ministry of Human Resource Development, 2019-20; PRS.

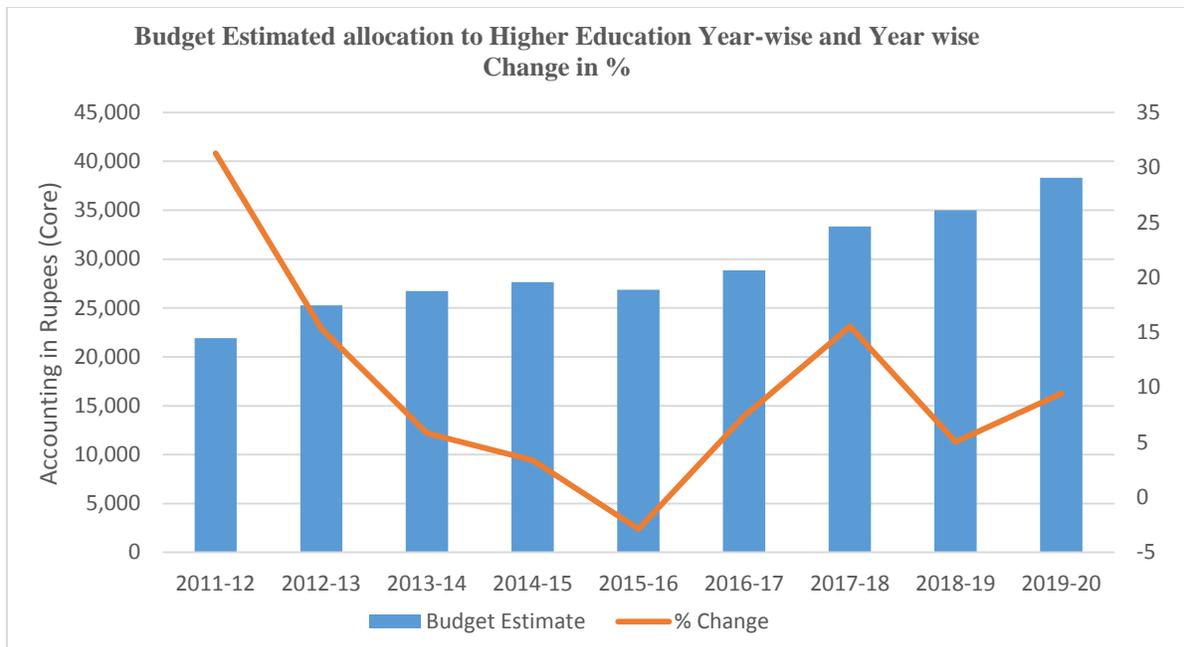
Table 2: Comparison of Budget estimates and actual expenditure for Higher Education (2010-2018) (In Rs. Crore)

Year	Budget Estimate	Actual	Actuals/BE [Utilization] (%)
2010-11	16,690	15472	93 %
2011-12	21,912	19,505	89 %
2012-13	25,275	20,423	91%
2013-14	26,750	24,465	91 %
2014-15	27,656	23,152	84 %
2015-16	26,855	25,439	95 %
2016-17	28,840	29,026	101 %
2017-18	33,330	33,614	101 %
2018-19	35,010	33,512	96 %
2019-20	38,317	-	-

Source: PRS Legislative Research [Demand for Grants 2019-20 Analysis, Human Resource Development], (1 Crore is 10 million)

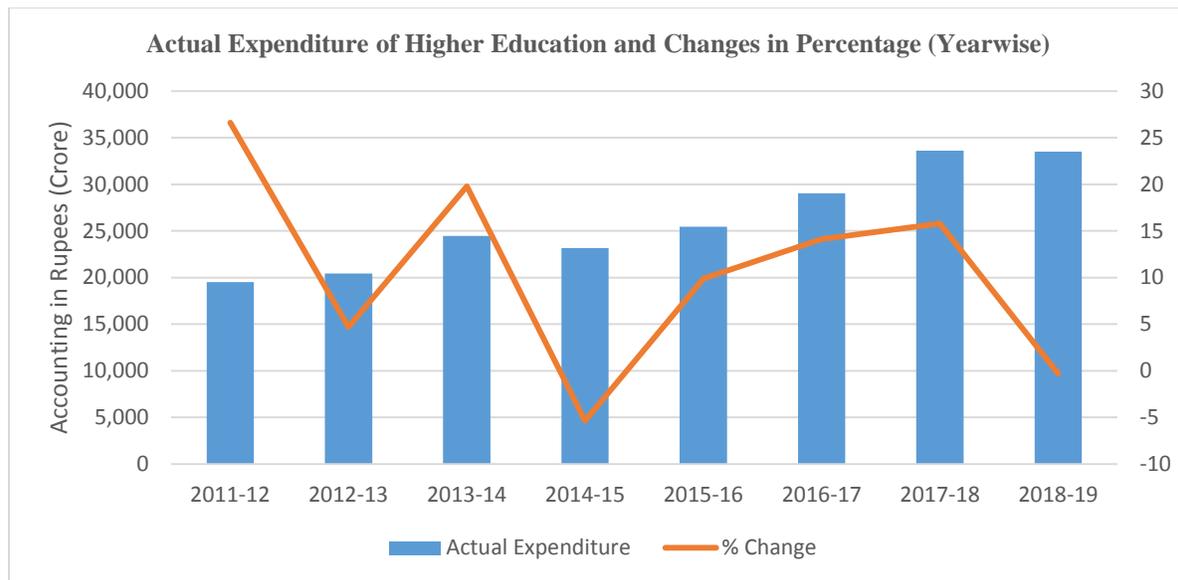
*Note: BE- Budget Estimate, *Revised Estimate. Source: Union Budgets, 2010-19 PRS. (1 Crore is 10 million)*

As per the Draft for National Policy on Education published on May 2019 proposes the minimum expenditure on education has to be 6 % of their Gross Domestic Product (GDP). As above depicted table 2 shows the comparison between budget estimate and actual budget expenditure of allocation to the higher education department by the ministry of human resource and development and also shows the utilization from the budget estimate has been over 96 % since last three years and even in 2016-17 and 2017-18 it crossed 100 % utilization of estimate budget.



Source: Union budget, 2011-20, PRS. Note: Budgets estimate have been used for 2011-20. (1 Crore is 10 million)

Figure 1: Comparison of Budget Estimated Allocation to Higher Education Year Wise and their Change in Percentage



Source: Union budget, 2011-20, PRS. Note: Budgets Actual expenditure (Revised Estimate) have been used for 2011-20. Source: Union budget, 2011-20, PRS.

Figure 2: Comparison of Actual Budget Expenditure to Higher Education Year Wise and their Change in Percentage

Table 3: Allocation to the Department of Higher Education in 2019-20 (In Rs. Crore)

Major Heads	2017-18 Actuals	2018-19 RE	2019-20 BE	% Change (RE to BE)
Grants to Central Universities	7,286	6,499	6,843	5 %
IITs	8,337	5,715	6,410	12 %

UGC and AICTE	5,122	5,139	5,059	-2 %
NITs	3,452	3,721	3,787	2 %
Student Financial Aid	2,218	2,155	2,306	7 %
Higher Education Financing Agency [HEFA]	250	2,750	2,100	-24 %
RUSA	1,203	1,500	2,100	40 %
Improvement in Salary of teachers	671	469	2,000	326 %
IISERs	780	650	899	38 %
Research & Innovation	254	244	609	150 %
Digital India E-Learning	336	511	579	13 %
IIMs	821	372	446	20 %
IITs	271	440	375	-15 %
Others	2,614	3,347	4,805	43.56 %
Grand Total	33,614	33,512	38,317	14.30 %

Sources: Expenditure Budget, Vol. 2, Ministry of Human Resource Development, Union Budget 2019-20; PRS. 1 Crore is 10 million.

Note: BE – Budget Estimate, RE – Revised Estimate, Source: Expenditure Budget, Ministry of Human Resource Development, 2019-20; PRS.

As above depicted table 3 shows that the allocation for major heads of higher education sector. According to the Union Budget 2019-20, Ministry’s allocated 6843 crores to the central universities which has 5 % more from the allocated funds of previous year (2018-19 RE), allocated budget for Indian Institute of Technology (IITs) has been increase 12 % (allocated amount 6410 crores) than the 2018-19 revised estimate. The Ministry’s allocated 5059 crore for the UGC and AICTE (Statutory and Regulatory Bodies) which has 2 % less from the revised estimate of 2018-19. National Institute of Technology (NITs) and Student Financial Aid registered an increase in their allocation over the revised estimate of 2018-19 by 2 % and 7 % respectively and the allocated amount to their respective departments have 3787 crore and 2306 crore. The Major change seen in the section of salary of teachers and the budget shown huge enhancement approx. 326 % than the revised estimate of 2018-19 budget. The budget allocated to RUSA has been increased by 40 % than the revised estimate of 2018-19 and it has 2100 crore. Indian Institute of Management (IIMs), Digital India E-Learning, Research & Innovation, IISER and Others sector of Education have been getting increased allocation in their budget than the revised estimate of 2018-19 by 20 %, 13 %, 150 %, 38% and 43.56 % respectively.

Table 4: Sector Wise Plan & Non-Plan Budgeted Expenditure for Higher Education Departments of State & Center (Revenue Account) (In Rs. Crore)

Year	Higher Education	Technical Education	Total
1990-91	2312	753	3065
1991-92	2444	809	3253
1992-93	2700	907	3607
1993-94	3104	1018	4122
1994-95	3525	1189	4714
1995-96	3871	1290	5161
1996-97	4288	1450	5738
1997-98	4859	1623	6482

1998-99	6117	2073	8190
1999-00	8248	2459	10707
2000-01	9195	2528	11723
2001-02	8087	2560	10647
2002-03	8859	2889	11748
2003-04	9380	3182	12562
2004-05	9562	3387	12949
2005-06	11013	3657	14670
2006-07	13089	4391	17480
2007-08	15577	7020	22597
2008-09	18605	7266	25871
2009-10	24186	9461	33647
2010-11	28788	11010	39798
2011-12	33030	13665	46695
2012-13	37678	15194	52872
2013-14	45191	16873	62064
2014-15	49521	18568	68089
2015-16	55663	19927	75590
2016-17	58924	21912	80836

Source: Analysis of Budgeted Expenditure on Education, MHRD, Govt. of India, Various Years. 1 Crore is 10 million

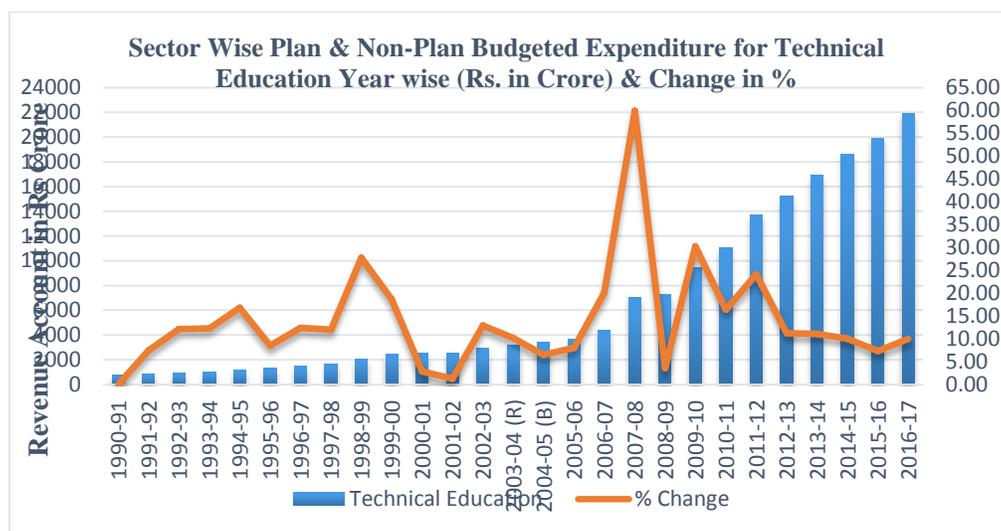


Figure 3: Sector Wise Plan & Non-Plan Budget Expenditure for Technical Education Year wise (Rupees in crore) & Change in Percentage (1 Crore is 10 million)

Above depicted table 4 and figure 3 shows that the sector wise plan & non-plan budgeted expenditure for higher education departments of state & center (revenue account) (rupees in crore) and sector wise plan & non-plan budget expenditure for technical education year wise (rupees in crore) & change in percentage. It has been very clear from the table 4 and figure 3, the budget allocation to the higher education not in proper manner, sometimes increases and decreases, it means shows the uncertain growth in allocated budget expenditure of higher education. For sustainable growth of higher education, it to be needed a steadily flow of public resources to match the rapidly growth for demand of the system within different components (i.e. real amount and their proportion). But due to absence of transparent associative rules and regulation, it is impossible to achieved steadily allocation of budget expenditure to the higher education. It has observed from the table 4 and figure 3 the allocated budget expenditure seems to be vagaries, uncertain and instable.

Table 5: Foreign Direct Investment (FDI) Inflow to India

FOREIGN DIRECT INVESTMENT FLOWS TO INDIA (US \$ million)				
Year	Total FDI	FDI in Education, Research & Development	% Change in FDI (Year-Wise)	% of total FDI inflow allocated to Education
2006-07	9,307	43	100 %	0.46 %
2007-08	19,425	156	263 %	0.80 %
2008-09	22,697	243	56 %	1.07 %
2009-10	22,461	91	-63 %	0.40 %
2010-11	14,939	56	-38 %	0.37 %
2011-12	23473	103	84 %	0.43 %
2012-13	18286	150	46 %	0.82 %
2013-14	16054	107	-29%	0.67 %
2014-15	24748	131	22%	0.52 %
2015-16	36068	394	201 %	1.09 %
2016-17	36317	205	-48 %	0.56 %
2017-18	37366	347	69 %	0.92 %
2018-19	38744	736	112 %	1.89 %

Source: RBI, Annual Reports from 2006-2007 to 2018-2019.

Note: Includes FDI through SIA/FIPB and RBI routes only.

As above depicted table 5 shows that the foreign direct investment in the field of education research and development in India but it has also shows the un-appropriate pattern so cannot considered as reliable alternate resource of financing of higher education in India.

2.2 Conceptual Overview to the Privatization of Higher Education

The concept of replacement of increasing government financial allocation (subsidies) by enhancing reliance on private resources of funding on higher education formally known as privatization. This paper (*E. T. Mathew 1996*) presented an investigation of privatization in term of financial aspect and draw some challenges and suggestion. According to this paper there were a lot of good opportunities open for partaking by the both public and private players in higher education. The inapplicability and stiffness stood-up from distinctive reliance on either public or private sector which have to be revised by variegate the financial mode. This paper also discussed the two major rendition of private financing and public financing i.e. public financing for public production, public financing for private production, private financing for public production and private financing for private production. According to this paper institutions of higher education individually classified into public and private institutions, again private institutions categorized into subcategories i.e. aided, unaided, standalone, self-finance and privately managed.

Author not only emphasize the financial base for higher education but also suggested the reconstruction of higher education system in term of curriculum and infrastructure to makes education more relevant. According to author the immediate beneficiaries who gets higher education bear the total cost by own. Many financing source like endowments of governments, alumni, funding support of industries, foundations and trusts have been suggested by the author through this paper. (*K. B. Powar 2002*) define the basic concept of higher education system in India and present an investigation study on augmentation of development in higher education sector and showed the future aspects of higher education of India. Through this book author has brought some critical facts of higher education system in India i.e. universities management, Autonomy, Accountability, research and Innovation, and internationalization standard of higher education system. In this book section explored the problem regarding higher education as per historical perspective, and present a study of context that the system functioning. (*P. V. Gupta 2003*) has presented an investigation on privatization of professional courses or education. The author mainly focused on the huge demand of population for enrollment in professional education, so he suggested that the industry, business and corporate organization should have to starts institution and universities and this initiative climb the competition among institutions and universities and it has also enhance the quality and standard of professional education system. This paper introduced the new experimentation in education system which actually worked as shield against further deterioration of the education system.

The initiatives taken by the private player in higher education have been discussed by the (*M. Aruchami 2003*) in this paper. His paper focused on privatization of higher education system in India as per quality imperatives. The author presents the historical development and current scenario of higher education system in India. He suggested that the higher education system should have accessible with shows more relevance quality assurance. The support services like cleaning, transportation, student hostel, and security etc. provided by the private player for any societies, institutions and universities discussed by (*A. Malik (2003)*) in the paper. The author delineated that the privatization of services in any organization could be possible and worked smoothly. (*Ahmed Nabi et al. 2003*) argued the numerous challenges regarding privatization of higher education. The author discusses some important problem such as most of private institution at that time worked as profit based system, student's takes admission in different higher education courses on the basis of capitation fees, there were no relevance of merit as a results a gap created between poor and rich candidate in terms of money power and education became identical to commercialization and Assurance of quality education also a major problem for private institution. Unscrupulous or reckless expansion of private institution and universities of technical education in India and exploitation also increased in private technical education. The employment opportunities provided by the private institutions that showed their impact. (*Venkat Reddy M. et al. 2003*) discusses the privation of higher education and distance education. According to this paper distance education could be an effective weapon against running privatization of higher education system. (*Francis Soundararaj 2003*) argued about the private sector or private player participation in higher education system in India. The author mainly emphasizes to partnership and leadership. Partnership and leadership have to be in process of co-existence in the private sector of higher education system in India. According to him there were need of plan that eliminating current academic and professional serenity in higher education system as per global context standard of higher education system. (*Zeenat Shafi 2003*) conglomerate and summaries the research papers published in university news for last decades. These articles mainly introduced the challenges of private initiatives in higher education, advantages and disadvantages of privatization of higher education system and partnership (public and private partnership), leadership, numerous self-financing scheme and programs of higher education system, problem regarding legitimate or statutory of higher education system towards privatization. (*K. D. Raju 2004*) argued that the private player introduces in the higher education system due to deficiency of budget allocated to the higher education in India. This paper presented an investigation toward private initiation in higher education via enabling statute and regulation which created by the GOI as per recommendation of various supporting regulatory agencies. These regulatory agencies enabled some legislative decision that interpreting the affined precept according to soil surface of liberalization of the education system under the supervision of World Trade Organization (WTO) and General Agreement of Trade in Services (GATS). In this investigation author has been found that the greater private participation or initiation needed in higher education system of India and also needed an integrated standard or prototype model for its regulation. (*A. Gupta 2005*) presented an investigation on pattern change of Indian higher education system, according to her a qualitative and quantitative paradigm shift occurs in higher education sector which facet by world. The growth of economic development and innovation in technology have part of quantitative modification and the new policies and modification of evolutionary society have part of qualitative change, both qualitative and quantitative modification combine together with different aspects and ethics of higher education system. In this paper discusses the numerous perspectives in global standard of higher education in terms of privatization of higher education in India. In this paper author attempted to find out

the reasons and outcomes of initiatives of privatization in higher education of India over the few past decades. According to her study, there is a possibilities to accept the privatization of higher education in India as compare to 30 years ago but there were also present some basic question on private higher education and its responsibilities. This paper also discusses the participation of Indian judiciary for the regulation of privatization in higher education system in India. (*M. R. Narayan 2006*) presented the depth study of policies of privatization in term of economic development and has also focused on post privatization control strategies or tool. This paper present a case study of Karnataka State of India in college level education which ongoing under higher education system. The author described the policies of privatization and their most dominant feature i.e. a modification of public financing without modification in public ownership and whole management shifted to private player. Many factors discussed such as affordability, effect of quality, equity, effect on cost and fiscal effect found by the author which define the impact of privatization. He argued that there was a requirement of post privatization control mechanism for regulation of private sector and also advised some policy regarding it. (*N. V. Varghese 2007*) present the significance of privatization in higher education and its market share. The paper works on fulfillment of government objectives (i.e. national, social and equity) by the private institutions of higher education. According to paper private higher education institution categorized into three categories i.e. for profit institution, not for profit institution and self-financing or standalone institutions. The paper also discusses the working environment of private higher education institutions in details. (*Sujit Kumar Choudhary 2008*) discusses the development of higher education as per socio-historical perspectives in India. This paper suggested that there is strengthen requirement to revision of regulating policies and their implementation mechanism in higher education system of India and also suggested that the mechanism of implementation of policies should have more pragmatic. (*Geeta Rani 2010*) presented an investigation on the challenges of quantum of private standalone (self-financing) institution in higher education sector with more focused on technical education sector during the period of time from 1985-86 to 2008-09. The paper described the dynamic modification of higher education system of India. The author through this paper present a case study of Tamil Nadu state of India and aggregate the risen up characteristics of privatization in higher education which focusing on technical education in the Tamil Nadu state of India. In this paper also discusses the responses of policies toward modification in the higher technical education in the Tamil Nadu State. Propagated functional connection with the society and collaborated candidature from different culture that are the requirement of higher education institution argued by (*V. Balmohandas et al. 2011*). The paper review the higher education institution especially private institutions and provided some suggestion particularly emphasize the problem made connected with the private universities/Institutions and Deemed Universities/Institutions. (*Aru Singh et al. 2011*) argued that there is mandatory need of change in general perception of society and change in particular perception of student about the private participation in higher education sector specially in management educational institutions. In this paper authors present the detailed study on privatization in professional education/courses and drawn a point that positive attitude modify the responsibilities of education form social to commercialism activities. (*Vineeta Agrawal 2012*) discussed the historical growth of higher education sector in India. According to this paper private and public sector both have played a significant or vital role for development of higher education. Through this paper author arising the some critical issue i.e. low level of gross enrollment (GER), high demand due to population, gaps present in supply, less interest in research, lack of qualified faculties, constraints of finance, quality, and employability and suggested some new avenues action and policies that should be implemented into our education system to make India a real Information hub. (*Gayatri Loomba 2012*) presented a profiteering analysis on privatization in higher education of India. Through this paper author elaborate the profit making model of privatization and her main focus was to encourage the private higher education sector should have as commercialism i.e. profit making sector. In this paper discusses the introductory model of profit making business for higher education sector in term of capitalism that recovered from the enroll candidate so also focused on enhance institutional capacity to increases the gross enrollment ratio and augmented employability. This paper present the comprehensive analysis which attempt to understand the cause for such a pattern change in the current policies revolving higher education. (*K. M. Joshi et al. 2013*) discussed the social development and economic development of India. According to this paper higher education has only a key which explored the economic and social development by improving society in terms of enhancing technical and human capabilities. For any development of higher education sector technical modification and institutional modification are the major factor that played a crucial role to facilitating these achievements and collaborated numerous demographic population. This paper examined the various challenges i.e. higher education governance, access to higher education, funding, privatization nature, equity, concern of quality and efficiency. (*Nidhi Walia 2013*) presented some emerging terms such as access, quality, privatization, inclusion, and financing of higher education system of India are very complicated as per economic, geographical, international standard of dimension and if correlated to political. (*J. B. G. Tilak 2014*) argued that the private higher education institution and universities had more stakeholder enrollment approx. twice

as compare to public higher education institution and universities and also says that the India has been experienced a rapid growth in higher education sector in term of private participation. The size of private higher education sector approx. twice the public higher education sector. In this paper the author shown more interest on dependency of private higher education system and concluded that the dependency on private sector more dangerous for developing country like India. (*S. L. Sharma et al. 2014*) presented a study which focused on the upswings of private avocation and its responses in terms of access and quality of higher education. They discussed some challenges or problem regrading public and private sector in higher education system, Technical and professional education, public private partnership through this paper.

2.3 Impact of Globalization and Liberalization

P. B. Sharma (2012) discusses the general terminology of globalization and higher education system of India. A current higher educational standard and status presented in this paper and also an evolution of higher education and understanding terms discusses by the author. Author proposed some recommendation for the mechanism or strategies which brought Indian higher education system to a global standard, and these recommendation of proper strategies works as bridge that reduces the gap between developed country of the world and India in terms of quality and quantity of higher education system. (*P. Agrawal 2008*) presented a studied of privatization and globalization in higher education system of South Asia. The main objective of this studied was to map the privatization and globalization trends towards higher education of South Asia. The private player emergence by domestic and foreign participation and their growth mobility of candidate was the main focused area of this paper. The author through this paper also discusses the challenges or problem arising regarding financing, quality, and access of education and also discusses the issue related to policies. (*Ravishri Mishra et al. 2014*) very much influenced by the economic principle and social policies of government of India established in 1990's and at same time India taken a step ahead towards a neo-liberal economy. This paper examined the higher education transition in India from socialism to capitalism. These economic policies and social policies of neo-liberalization in 1990's initiates the free trade, market economy and privatization. This paper discussed the significance of neo-liberal capitalism on higher education system of India and conclude that the neo-liberalism has a concrete concept of commercialization and corporatization of higher education sector in India. This concrete structure of neo-liberalism shows development growth such as educational institutional growth, candidate enrollments, sharp arising of private avocation and educational campuses as per global standard, technical and professional universities and institutions, growth of public private partnerships etc. According to the *David (Solomon Arulraj 2014)* higher education system in India very much influenced by the economic globalization. The reason behind the increase the tuition fee of higher education student for development of infrastructure and other education resources has defiance of budget allocation for the higher education by the government of India. As the results increased cost to access to quality of higher education. The different higher education institutions i.e. public/not for profit private/for profit private play a vital role differently i.e. interest, capacity and by their nature. For any societal growth and economic development higher education play a crucial role but there were a limitation of resources arising the private sector participation in higher education system in India. (*Dr. P. Naik 2015*) present an investigation study on globalization and their affect towards higher education in India. According to this paper, acute growth in development of technological education, communication and economy due to information or knowledge are the major effect of globalization and suggested that we should have to promote or encourage the foreign universities to established collaboration with Existing Indian Institute and support or promote research activities at global level for sustainable and economic development in higher education system of India. Emergence of globalization created global competition in higher education of India that's enhanced our development in the field of higher education system. (*Jonaki & Prasenjit pal 2016*) argued that the globalization and privatization becomes supervene in higher education system of India. The author discusses, the quality of higher education system should be enhanced with the help of global standard of higher education and suggested the post privatization control mechanism or regulatory mechanism have to apply into the system of education to eliminate the negative significance of globalization and privatization.

3. Conclusion

This paper is an attempt to analyze the various forms of funding higher education in India and to discuss the suitability of the methods. The funding from both the central and state has witnessed a decline. Higher education is imparted in India in a variety of heterogeneous institutions, viz., colleges, universities, and institutions of various kinds; it includes various layers, viz., undergraduate, graduate, and post graduate including research; and it includes general, and professional including technical and technological education. The composition of the students in these various levels is also varied. Returns to these various forms of higher education are also different. Hence, a disaggregated examination of the financing pattern of higher education in India is attempted here, and it is suggested

that for the formulation of meaningful policies, higher education needs to be subject to disaggregate examination by these layers and types of education.

3.1 Findings

- The allocation of funding to the higher education by the government did not shows an appropriate pattern, due to this the accessibility of higher education then being costlier.
- Un-appropriate paradigm shift in the applied mechanism of budget expenditure allocation to higher education sector should be changed
- Need of flexible higher education system that could be provide skills and training to candidate which driving force the economy of the country and integrate with global standard and economy.

3.2 Suggestions

- To makes higher education accessible at low cost have to find new avenues and potential resources for financing the higher education.
- Mainly focused on these change in plotting mechanism of budget allocation to the higher education sector and analysis the growth of these mechanisms.
- The responsibilities of emphatic control management in budgetary expenditure allocation to higher education system should be defined in details.
- The better way of allocation of finance, maximize the utilization of resources, assessment, auditing, recreating the finance indicators, safety guards from fraudulent could bestow the adscititious funds for higher education.
- There are need of some mechanism in higher education at institutional level and system levels in term of financing.

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