

## Is education a service or industry?

V. Jayanth

*Knowledge Commission for stepping up enrolment in higher education*

CHENNAI: The National Knowledge Commission has focused on the need to step up enrolment in higher education from the present 7 per cent to 15 per cent by 2015. To achieve this doubling in the intake of students into the system, it has recommended the setting up of 1,500 universities. A question therefore arises as to how to fund these universities and institutions of higher learning in the country.

On the one hand, the private sector seems to be playing an increasingly significant role in higher education, especially professional education, in the country. But on the other hand, there appears to be a growing protest against what political parties and parents label the “commercialisation of education”. To many, education remains a service, and indeed, has been categorised in the ‘service sector’ in the World Trade Organisation’s lists.

But private enterprise hesitantly suggests that education can be listed as an ‘industry,’ and made eligible for the funding or financing facilities available to industrial enterprises.

### Role of private sector

With the popularisation of the private self-financing colleges, and the Deemed Universities, the role of the private sector in education has been accepted and recognised. Questions remain on the collection of capitation fees and the fee structure in these institutions. As an education administrator says: “They are not charitable institutions and obviously want to make a profit. So they charge more. We have to factor their investment costs too.”

According to one of the founders of a self-financing college near Chennai, their trust’s initial investment itself was of the order of Rs. 120 crore — in terms of land, construction, equipment, and buses. It was only after the first batch passed out that the break-even was achieved. “It was because we provided quality education, offered all facilities, and the campus placement was good that we became a popular college. It takes time and effort to achieve that,” he explains.

### Divided opinion

A cross-section of academics and education entrepreneurs appear divided when it comes to calling 'education' an 'industry'.

Even if the profit motive of private colleges cannot be hidden or wished away, they do not want to be openly called industries. They say the institutions manage with different sources of funding — sponsorship, philanthropy, R&D grants from governments and their agencies, fees, and loans.

The provision for a management quota of seats, with double or treble the fees charged for government quota seats provides a cushion, but only for the more popular institutions. The introduction of an NRI quota of seats, for which the fee structure is even higher and often payable in foreign currency, brings some relief. But bank loans become inevitable, imperative.

### Classification

That is where, the classification of an educational enterprise as an industry can bring them some relief. The tourism sector wanted to be listed as an industry for exactly this benefit. But the education entrepreneurs do not want to openly seek that classification.

As the Dean of a Deemed University reasons: "Higher education in India is beginning to show signs of tremendous economic activity and just falls short of being categorised as an industry. It needs not be defined as an industry, but can be for a very limited purpose, encouraged to compete, innovate and build a modern society." When higher education has become a tool to measure the developed status of a country, how can the country achieve a doubling of its enrolment in higher education within a decade from now? As governments are finding it increasingly difficult to fund higher education, how are new institutions and universities to be financed? Education administrators leave it to the Planning Commission, the Centre and the banks to come up with an acceptable formula.

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