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Regulation in Higher Education in India

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Abstract – Marketization and neo-liberal approach have increased rapidly in higher education after the liberalisation, privatisation, and globalisation in India. Principles of a firm's optimization behaviour of demand and supply are increasingly being used to explain the educational service. As education is a special type of service, these principles cannot be applied here. It is necessary to gauge the change in regulations and its requirement in the regulatory structure. What kinds of regulations and how much autonomy is required for higher education with the new ideology framework, have been purported in this paper.

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INTRODUCTION

With the adopting of neo-liberal economic policies, privatization is increasing rapidly in higher education and is being treated increasingly as a non-public and non-merit goods rather than public and merit goods. This ideology is entirely coherent with the vision of the World Bank. The World Bank has given the framework for linking the entire world economy together. According to this ideology, the entire cost of providing higher education is recoverable. This ideology advocates for a prominent role of government expenditure in providing elementary education as the social returns are high in elementary education. It suggests alternative sources to finance higher education, apart from the public expenditure, such as scholarships, loans, and credit market. Due to these neo-liberal policies of promotion of privatization in higher education, the enrolment in private sector institutes was 67.3 per cent in 2017-18 which was 61 per cent in 2010-11 (AISHE Reports). A large part of the private sector higher institutes is running on commercial principles and earning huge profits. Only a few private higher education institutes are working for philanthropy. Formally, all these privately owned universities and colleges are registered as trusts, cooperative societies or companies registered under Section 25 of the Company Act (a non-profit company), that cannot earn any profit, but in reality, all these institutes are running on commercial motives, earning high profits and getting the high returns from their investments. This high profit is attracting big business houses and capitalists to invest in this sector. Further, due to new investment by private players (big business houses and capitalists), the number of private institutions and enrolments therein is also increasing at an unexpectedly high rate.

When the University Grants Commission (UGC) was set up in 1956 for the coordination, regulation and financing of higher education, most of the higher education institutions were in public sector, and there were a few private higher education institutions which were genuinely non-profit institutions and devoted to philanthropy. Most of these institutions which were established before independence were known for their high-quality education and philanthropy (Pathak, 2014). After independence, the ability to provide the necessary infrastructure of most of the higher education institutions in the private sector was doubtful, so the government took them over (Kumar, 2013:613). At that time, the total number of higher education institutes and gross enrolment ratio was very low so the UGC was able to regulate them properly and conveniently.

Now the most of these newly opened private higher education institutions do not follow the regulatory norms and are engaged in earning profits. Due to economic liberalization and neo-liberal policies, the share of the private sector has been increasing very rapidly, and there has been a growing trend to run them on commercial principles with a profit motive. The number of educational institutions and the number of students enrolled has increased many-fold. In such a situation, the UGC is finding it difficult to regulate properly and effectively all these higher education institutions with the same infrastructure and regulatory mechanism.

In addition to the UGC, several other regulatory authorities have been established over time, such as All India Council for Technical Education (AICTE), (Medical Council of India) MCI, and Bar Council of India (BCI), etc. All these regulatory authorities are also failing to regulate the institutions of their related discipline. As the potential of high-profit in the field of technical and professional education has been recognised the number of private institutes has increased at a disproportionately higher rate. Most of these newly opened private institutions do not follow the rules and regulations established by the related regulatory authorities as these institutions are working on commercial principles and earning profits. Sometimes public higher education institutions cannot follow regulations properly due to lack of finance, but the private sector higher institutions do not want to follow the regulations because they intend to earn a supernormal profit. That is why it becomes more difficult to regulate the private sector higher education institutions and to bring them under the ambit of regulations.

Over time, private sector institutions of technical and professional education have mushroomed rapidly. The powers given to the regulatory authorities were sufficient and appropriate at the time of their establishment, but at present, regulatory authorities are not able to regulate these institutions, and now they are facing lack of comprehensive and regulatory laws. Further, the regulatory authorities do not have adequate administrative powers and staff as required in the changed circumstances. Thus, given the current size of the higher education system, with a high proportion of private institutions, these regulatory authorities find themselves incapable to regulate particularly the profit-earning privately owned institutions.

EVOLUTION OF REGULATORY SYSTEM

Indian higher education regulatory system is influenced by our colonial past also. In the early colonial period, little autonomy was given to higher education systems. Private sector participation is well-known since colonisation. In the colonial era, some of the famous private higher educational institutions such as Banaras Hindu University, Vishva-Bharti and the Indian Institute of Science, etc. were established with the help of private participation (Pathak, 2014). Until the 1980s, the government not only expanded the public sector higher education but also helped in establishing and running private sector institutions (Aggarwal, 2006; Tilak, 2008). In the 1980s private sector institutions were established in the name of unfulfilled demand caused by a big expansion in industry and commerce in India (Agarwal, 2006). At present, regulatory authorities of various types are working such as the UGC, the AICTE, various types of national level professional councils, and state level professional councils. Due to ambiguity in regulatory laws at various levels, a problem related to overlapping and encroachment of jurisdictions of different regulatory authorities has been seen. In the higher education system many types of institutions are there such as the central universities, institutes of national importance, government colleges of central government, state public universities, public sector deemed universities, private deemed universities, autonomous colleges, state-level private universities, private unaided colleges, private aided colleges, and state government colleges. Apart from these various types of institutions, there are many stand-alone institutions, which provide undergraduate diplomas and postgraduate diplomas as they cannot award degrees. In the presence of these too many types of higher education institutions in each discipline, practically it is difficult to regulate all those by a single regulatory system.

Now, the regulatory system in higher education is complex and multi-layered. As per the constitution of India, the political system is a federal type. Since 1976, all levels of education are made under the concurrent list. Both the central and the state governments are responsible for higher education, so both can establish and run educational institutions. The central government runs central universities, institutions of national importance, deemed universities and government colleges. Similarly, state governments also run state-level universities and government colleges.

More than 80 per cent enrolment in higher education is in state-level institutions and out of that 91 per cent enrolment is under the state-level government colleges. At the regulatory level, the standard and norms in higher education are determined by the UGC, in which there is no representation of the state governments. As a large share of the total enrolment in higher education is under the state governments' higher education institutions, a big share of the total finance is also borne by the state governments. Thus the state governments have almost no role to play in the regulatory framework which is not consistent with the spirit of the federal system. The UGC implements the policy of higher education as directed by the central government. The central government controls the policy on higher education through various ministries, such as the Ministry of Human Resource Development in general education, Medical and Health Ministry in medical education, Agriculture Ministry in agriculture education etc. The central government has encroached upon the entire area in determining the policy of higher education in India. The state governments have almost no role in determining higher education policy. Whatever policy is decided by the central government, state governments have to obey and implement, regardless of the requirements and financial capacities of the state concerned.

Norms for establishing a private university at the state level have many dimensions which are difficult and time-consuming and sometimes ambiguous also. In some states like Rajasthan, Haryana, Assam, and Gujarat, a General Act has been passed for the establishment of a new private university that all newly opened private universities would come under this general act. A new Act can be passed to set up a new university or a list of new universities could be added to the already passed Act. In Rajasthan, a General Act has been passed, whereas in Haryana and in Uttar Pradesh, the process of passing the separate act for each new private university has been adopted. In such a situation, due to increasing requirements for every year, a private university operator is treated separately at different plays, which makes the whole process cumbersome. Unless the new operator contacts the state government, he will not be able to know the process. Therefore, it is a very difficult and time-consuming process (Centre for Civil Society, 2018).

One of the important aspects of regulation is the accreditation process which gives the signals about the quality of education of an institution. Accreditation decides the quality of an institution, as well as its credit and prestige in the market for higher education. In 2018 only 11 colleges and 7 universities achieved A^{++} grading. The percentage of universities achieving A^{++} grade was only 2.2 per cent out of the total accredited Universities. The accreditation provisions of higher education institution have also a weak system. Each ranking system adopts different methods because in each method the concept and norms of quality education are different. There is neither any universally accepted concept for the quality of education nor any method for the grouping of various parameters to make an index to access the quality of education. It is purely discretionary to assign weights in different indices. These indices may not access objectively the particular mission of the government. It is not possible to construct a comprehensive and all-inclusive ranking system for universities; it could be an illusion (Van der Wende, 2008:57).

The most important question is: Does a university indulge in unwanted activities in hidden ways? The quality of the university depends upon the dedication of teachers and students. In the United States, it has often been that the universities compromise with the method of selecting students to increase their ranking, and accept financial support based on the merit of students rather than based on the needs of students. One correct method for this would be that universities need to recognize the difference between the needs of students and the merit of students and not to try to compromise their mission to improve their performance (Chattopadhyay, 2012). Higher education institutions should not work only for better placements. The objective of higher education is more than merely to train students for the job market and their placement. Training and placement should not be the only parameters to assess the quality of an educational institution. Due to the effect of globalization objectives of the training to the students become limited to develop such skills which may help them to get better employment in the job market. Furthermore, the success of any university is measured through good placement in the job market (Patnaik, 2007).

Rules related to accreditation have regional variations, e.g. in Rajasthan and Haryana a new institution has to take accreditation from the National Assessment and Accreditation Council (NAAC) or the National Board of Accreditation (NBA) in the first three years of their opening, whereas, there are no such provisions in Uttar Pradesh (Centre for Civil Society, 2008). Patnaik (2007) holds about ranking that it will be a waste of time to make ranking on the basis of the institutions' performance. The mission of nation-building should be more important for universities. The most important thing is that the university should pay attention to its mission rather than an external agency evaluating the university on the basis of certain norms. The norms and regulations are cumbersome which hamper the true spirit of the development of education. For instance, in the state of Rajasthan and Haryana, to open a new private university the sponsoring institution has to prove the justification of the project of a new university to the state government. This provision is almost similar to the old license-permit-quota raj (Centre for Civil Society, 2018). Such requirements promote possibilities to earn a profit by rent-seeking activities. The proposed National Council on Higher Education (NCHER) bill was bought with the intention that it would be an all-inclusive regulatory body that could regulate properly all types of institutions according to the requirements of changed circumstances. It is supposed that there will be adequate regulatory powers with it. Although the bill is still lying in the pipeline, the proposed NCHER bill is authoritarian in nature, which may completely eliminate the autonomy of the higher education system. Although the all-inclusive regulatory body will be fully autonomous in itself, how much autonomy it will give to higher educational institutes will depend entirely upon its own discretion. Conventionally, universities are considered regulators themselves and self-governed bodies, so they have been given adequate autonomy since the beginning.

NATURE OF HIGHER EDUCATION AND REGULATION

The nature of higher education service is different from other commodities available in the market. The production function of higher education is unique in nature in terms of given technology; there is no fixed relation between input and output. In the case of any consumer product, with a given technical specification it can be produced anywhere with a certain amount of input and all units of the product will be the same. With the given technology any entrepreneur can produce the same amount of the output with the given input by investing money only, but this is not applicable in the case of education because here technical specification and units of input and output cannot be homogenous. Therefore, in the case of higher education units of the product cannot be replicated by investing money only. The production function of higher education is not comparable with the production function of a consumer product. To establish any producing unit (an excellent and world-class university) only investing money is not sufficient. It is not possible to replicate an excellent and world-class university merely by investing money. In the input-output model, the coefficient between inputs and output are determined and the definition of input and output is also clear. In the case of higher education, the concept of quality does not match with the input-output relationship, because the concept of quality is ambiguous and arbitrary. Thus, the input-output relationship model is not applicable in the case of higher education service (Majumdar, 1983) owing to its two unique characteristics:

(i) Credence Goods

The selection of service provider by the consumer (students and parents) in higher education is done on the basis of information available to the consumer, but the information available to the consumer is limited. Generally, the quality and ranking of a higher education institution are perceived on the basis of the placement of students in the job market and their salary packages. After the mushrooming of private sector institutions, competition among these institutions has increased rapidly to attract more and more students. These private institutions have adopted the aggressive advertising policies and marketing strategies, false claiming of very high package placements, best infrastructure, excellent teachers and self-declared high ranking and excellent quality of education. Accrediting agencies assign grades to institutions on the basis of the quality of education in these. However, some of these private institutions avoid accreditation from accrediting agencies. Sometimes, these institutions arrange temporary infrastructure and facilities to get the high ranking in accreditation but after getting the accreditation they remove the temporarily arranged facilities and infrastructure. Further, they do not want to get accreditation for many years. Some private institutions arrange excellent grading and ranking from some self-declared private and mislead the consumer by advertising these artificial ranking. In such a situation, the claims made by these institutions are questionable. Students remain confused by this asymmetric information about the quality of education in such a private institution and get cheated by them.

In fact, higher education is a special kind of service, where the quality cannot be fully known in advance. In the case of other consumer products, all technical features and specifications are known well in advance and all these features are uniformly available in each unit of the product. In such a situation, all information is available before buying and consuming (about the quality of the product, e.g. petrol, branded chocolate, etc.) and on the basis of this a consumer can take a decision to buy it or not. Some products have to be tested before purchasing so that their quality is known only after consumption of a sample such as fruits, vegetables, etc. In this case, after consumption, the consumer gets full information about the quality of the product. Nonetheless, it is not possible for the consumer to have full information about the quality of certain types of services such as legal advice from an advocate, a doctor's advice (from the physician or the surgeon's service etc.) In this situation, the consumer has to rely on them. In the case of these products, even after consumption, their quality cannot be fully known. These types of services/products are called an object of faith (credence goods). Similarly, higher education is also a credence goods as the consumer (students and parents) have to believe the service providers (institutions). Here the role of the consumer is also different from that of a consumer in common parlance.

Consumers' Role

In the area of higher education and research, students and teachers are co-producer and they produce jointly. Here the product is not for their personal interest of the producers, but it is in the larger interest of the society. As a whole, in an ideal condition, students and teachers should not be accountable to the government; rather they should be accountable to the society. The education, training, and research in higher educational institutes are beneficial for the long run interest of the society. Here higher education is something different from other marketable products as teachers and students are co-produces. Indeed there is no transaction at all. Both students and teachers work collectively for public interest. Here the aim of higher education is taken from the concept of Antonio Gramsci, who is an organic intellectual (Patnaik, 2007).

Students are also required to participate actively in the process of consumption and production simultaneously in the case of higher education and research. But in the case of other goods, a consumer's hard work by active participation is not required and mere ability to pay is sufficient for consumption. In higher education a consumer's hard work and active participation are necessary. In the case of higher education, by remaining inactive and careless the consumer cannot consume and achieve the qualification. In higher education, consumers are supposed to do a rigorous effort and achieve success. In higher education, consumers do hard work and achieve a qualification, which is useful for their future. Mere ability to spend is not sufficient to get higher education for a consumer; a consumer has to be academically and intellectually qualified to achieve the required level of higher education. In other services such as cinema and entertainment, the consumer requires the ability to spend only. If someone has enough money and the ability to spend, then he/she can easily consume these services only by purchasing. In the case of higher education, certain formal educational qualification is required to get admission in a particular course; apart from this, admission is given on a limited number of seats according to the merit. While taking admission in some prestigious institution it is not necessary only to be formally qualified, but extremely difficult level entrance examinations for the admission also have to be cleared.

In the field of professional and technical education, due to excess of the private sector and due to excess availability of seats, students can get admission by only having the minimum qualification but these private institutions charge exorbitantly high fee. If the students get admission only at minimum qualification, the quality of students may be questionable. Even after completion of education from these institutions, the quality of education is not beyond doubt, because of poor effort by students and poor quality of educational institutions. Therefore, in higher education, the consumer is required to have the specific qualification and rigorous effort (active participation), otherwise, they may not achieve the desired quality and merit by paying money only.

(ii) Competition and quality

Generally, it is assumed that an increase in competition improves the quality in services, declines prices, and a consumer gets benefits as competition increases efficiency. Due to an increase in competition only efficient producers can remain in the market, whereas inefficient producers leave. Usually, as the competition increases a consumer gets better quality service at lower prices, but this does not hold good in the case of higher education. There are two reasons for this: first, perfect competition is not possible in case of the higher education market and secondly, market principles are not applicable in higher education. The condition of perfect competition is homogeneity of all units of inputs and outputs, but in the case of higher education, all units of input and output cannot be homogenous. Qualification, capability, and intellectual quality of all teachers cannot be the same. Therefore, the condition of perfect competition market cannot apply here. Higher education is quite different from other products for consumption since higher education is a credence goods, whereas educational and intellectual quality in teachers and students is essential, the active participation of the consumer is also essential, and the consumer is a co-producer. Therefore, the principle of increasing quality and efficiency through competition is not feasible. Indeed, in the case of higher education monopolistic competition, rather than perfect competition is found. The public sector does not earn profit but the private sector earns, so the competition between both is not fair. The level playing field is not applicable for both types of sectors, so competition between the two is not possible. Finally, the principle of the increase in competition results in quality upgrade and decline in the prices is not relevant in the market of higher education.

MALPRACTICES IN HIGHER EDUCATION

As the share of the private sector has increased in the market for higher education, consumers (students and parents) are being cheated. In such circumstances, there is an acute need for an effective regulator, which can stop all irregularities with retaining academic autonomy. The NCHER Bill is full of contradictions and authoritarian in nature. This bill is also pending for a long time and the government is not taking any decision about it. It has been observed that as the proportion of public expenditure on education decreases, the government's control declines. Similarly, the proportion of government control reduces, at the same time irregularities as well as commercialization in these institutions increase, particularly in private institutions.

Presently, the status of regulatory institutions is such that the UGC has displayed a list of fake and non-recognized universities on its website, but the UGC does not have an administrative and legal power to close down or prosecute these fake institutions. Neither any department of the state or central government nor any other agency of these governments is taking any administrative action to close down or prosecute these fake institutions. Not only the private sector institutions but also the public institutions are not complying with the norms and standards set by the regulatory authorities. For example, many nursing institutes of the Government of Rajasthan are running without recognition from the Nursing Council of India, Madhya Pradesh state Open University (Bhoj Open University, Bhopal) was not recognized by the Distance Education Council (DEC). Until two years ago, the distance education programme of the prestigious University of Delhi was not recognized by the Distance Education Council (DEC). Many of the medical colleges also which are run by state governments are not recognized by the Medical Council of India (MCI). In such a situation, the respective state governments have given recognition to the degrees from these institutions for employment in the state concerned. It has been seen that many graduates from such institutions are employed even in the public sector also. When the public sector department conducts verification of degrees of these graduates from the University concerned, these Universities also verify these degrees, but the department does not bother whether the university itself is fake or not.

PROFIT MAKING AND REGULATIONS:

The logic behind the cost recovery in education is that higher education increases employability, productivity, and efficiency of the consumer. With the help of higher employability, productivity and efficiency students earn high returns. According to the human capital approach, expenditure incurred on education is initially an investment which gives positive returns to the investors. Here the investors are students who are given an opportunity to earn a high income in future, which is, directly or indirectly more than the cost of education (Schult, 161; Baker, 1993). Although, as per law no educational institution earns profit and runs as a non-profit organization, in practice, many private institutions are indirectly earning profit in many ways. According to the current legal status, any educational institution cannot charge fees more than a certain limit from the student, e.g. in Rajasthan, private universities are required to take prior permission for fee hike from the committee constituted by the state government which remains valid for the next three years. No such permission is required in Haryana, though 25 per cent of students must be the native of the state of Haryana, and these students cannot be charged more than the prescribed fee. Such special rules regarding fee are there in Uttar Pradesh also but it has been said that the structure of free would be subject to the rules enforced by the state government from time to time, so the state government has the scope for fee determination (Centre for Civil Society, 2018). As per the existing laws, institutions can earn reasonable profits for the expense of running their institutions, although there is no legal definition of a reasonable profit. It is assumed that no institution will charge exorbitant fees. After the adoption of the policy of liberalization, most of the private professional and technical institutions have been established for making profits. In the field of professional and technical education, students are ready to pay a higher fee for the admission in these institutions. Due to speeding up the process of liberalization in the 1990s, it became easier for the investors to invest in the higher education sector. The private sector expanded in the expectation of earning huge profits there so the investment increased at a faster pace. Therefore, most of the private institutions of higher education, which opened after liberalization, were involved in siphoning money out. In reality, if the said institutions do not earn a profit, then it will be extremely difficult to run themselves with the given fee structure.

The condition of not making profits is a huge obstacle to finance through equity because it cannot be attractive for investors. Because of non-profit condition, investors cannot be given a dividend and get out by selling their stake at higher prices. In such a situation, for financing the option of borrowing from the bank is the only available option. Banks also do not have any experience to lend to educational institutions. Banks demand cash flow like profit-making industries, which is not available in the case of higher education, so banks charge a higher rate of interest (Centre for Civil Society, 2018). In such circumstances, an institute cannot follow all regulatory norms and standards without earning a profit because it is difficult to enforce these norms and standards with no profit condition. Therefore, in practice, most of the institutions indirectly engage in earning profits. Due to these reasons most of the higher education institutions are established for commercial purpose. The enforcement of norms and standards of regulatory authority becomes more difficult if the regulatory authority does not have sufficient administrative powers and required staff. In such a situation, compliance of law and rules is difficult for the regulatory authority. Without effective regulation, it is difficult to make the system healthy, competitive, excellent, and free from corruption. Various special groups, committees, and commissions established by the Government have suggested and recommended to allow the profit-making in the field of higher education also. These recommendations and suggestions to the government are the indications of increasing pressure for allowing profit making. After the New Economic Policy (NEP), many committees, expert groups, and commissions have been set up for higher education such as Justice Punnayya Committee (1992-93), Ambani-Birla Subject Special Group (2000), National Knowledge Commission (2006-07), N. R. Murthy Committee (2012), etc. On the basis of the recommendations of these committees, many acts were formulated and implemented for making policies and many bills are still in the pipeline. Ambani-Birla Group recommended in favour of allowing profit-making in private universities. The Planning Commission High-Level Group for the Service Sector has recommended earning profit by the private sector for the growth and expansion of educational institutions (HLGSS, GOI, 2008). The educational institutes should be allowed legally to make a profit so that they can plough back their profits. If these institutions are not allowed legally to earn profits the tendency to malpractice and manipulate their accounts will increase. If a profit-making company is allowed to start a new University, then the company will be subjected to the laws of Company Act and laws of Consumer Protection. Apart from this, the new profit-making university will come under the ambit of taxation. The educational institutions are legally allowed to make a profit in many countries, such as South Africa, the Philippines, Malaysia, Brazil, Ukraine, and in some Gulf countries. All these above-mentioned arguments and international experiences generally advocate for the profit-making practices in a private higher education institution.

Is it possible that the private sector in higher education will provide quality education only for philanthropic purpose without earning any profit? Since the government has limited resources, it finds itself unable to invest according to the demand for higher education. Therefore, it is the need of the hour to encourage private investors in higher education. This important question remains still unanswered. In fact, some private institute may work for philanthropy and provide quality education, but the number of these institutes will be extremely low. Until the 1980s, many educational institutions were established by the private sector and still these institutions have a high prestige for their quality education. Most of the private higher educational institutions established after the 1980s increased rapidly thereafter but were established for the motive of profit making. If we expect such a huge investment in higher education by the private sector then permission should be given to make reasonable profits, although no such permission has been given until now. Due to the weakness of regulations, in practice, most of the institutions in the private sector are indirectly involved in profit making.

It seems that indirectly the regulatory authority is reluctant to regulate these institutions properly. Therefore, these institutions are not complying with the rules and regulations. Thus, by not complying with the rules and manipulating the accounts results in inefficiency and wastage of resources which ultimately makes the system poor in quality. Only these institutes which can earn profit by illegal means will be in service and the other will have to be forced to close down themselves. Although the making of profit by any educational institution is not formally allowed, it is an open fact that it does and, it seems that the government is indirectly making such a weak policy and rules which are not possible to be enforced practically. The government has two options to change this system: first, the government can increase its investment to open new institutions, so that excess demand can be met and quality education can be provided; secondly, it allows private educational institutions to earn profit and operate in an open and transparent manner. It will create healthy competition and provide quality education. Due to a lack of resources with the government, the first option of increasing investment by the government in higher education is practically difficult to implement. In the case of the second option, there is fear that the private educational institutions will charge an exorbitant fee, which in turn, will disrupt access to low-income people and equal access to all. The process of operation of a private educational institution has become a wheel in the wheels, which lacks transparency and openness. In this situation, many low quality private educational institutions which charge an extremely high fee are emerging. Therefore, it is appropriate to argue to allow private institutions to earn profits with strict control and regulation.

Often some private institutions of higher education advertise their affiliation with foreign institutions and hire some foreign faculties. It is not clear whether they improve their quality or not by this way, but they justify themselves to charge an extremely high fee (Pathak, 2014).

It is argued that colleges and universities should be run on the principle of profit maximization like a business firm so that their efficiency can be improved. It is also argued that the salary structure of the teacher should be separate from other civil servants' salary structure. This will reduce per unit cost of education. However, the number of students in each class and the working hours can be increased. The above mentioned two arguments are not applicable in the case of higher education because the application of argument of efficiency is involved here. It will ultimately bring inequality and poor quality. It is true that governance in higher education, proper utilization of resources and regulation must be enforced in a democratic way by the active participation of students and teachers. Only by this method, the best quality service can be provided and better utilization of available resources can be possible. The big reforms can be achieved only through improvement in governance and change in academic leadership. The point that must be noted here is that education service is different from other consumer services. To earn high-profit private colleges generally employ faculties at low salaries which are poor in quality. Reform in governance is the only aspect of the reforms. Higher education institutes are suffering from poor governance. So public sector higher education institutions require management reforms (Chattopadhyay, 2007). By doing so, government higher education institutions will be able to compete with world-class educational institutions. There are very few public sector higher education institutions which are excellent in quality. It is an important question for reforming governance, how to follow the other excellent public sector institutions, so that poor quality public education institutions can do better. If the private higher education institutions are given freedom to determine fee like prices in the corporate sector, it will result in high fees and poor access (Pathak, 2014). In the absence of proper regulation, the cost of education will increase even for the student. The increasing cost of education will harm equal access to students. High cost for service provider results in compromise with quality.

AUTONOMY AND REGULATIONS

Autonomy is like a double-edged sword. On one side it can promote excellence in higher education and on the other hand, it can be very expensive and encouraging the lower quality (Pathak, 2014). So the relationship between regulation and autonomy is very delicate and sensitive. With little autonomy and low regulation, also with many regulatory and accreditation institution create a complex situation in the market of higher education (Pathak, 2014). In such a condition, where the consumer is the student it will be difficult to assess the quality of an institution. So it will also be difficult to choose the most appropriate institution for him. Although the institutions of higher education are formally autonomous by independent Acts (passed by various legislative bodies), they have to comply with the guidelines issued by the respective government from time to time for their day to day affairs (Chattopadhyay, 2013). This type of interference interrupts the day to day working of the institution. Formally, all the institutions of higher education are currently working with a bit of strict regulation. Utilizing the grants, recruitment of teachers and almost all the administrative decisions have to adhere to strict regulations.

EXPECTATIONS FROM AN IDEAL REGULATOR

The objectives of an ideal regulator are to determine quality in higher education and to ensure equal access to all. One more expectation from the regulator is that it will not interfere in a way which affects the autonomy of the institution, so there should not be any obstacle in achieving academic excellence. In the current system, the regulator is finding itself difficult to achieve these objectives. In the public sector where profit is not earned, the interference of regulators impedes the autonomy of the institutions. Public sector education institutions are suffering from a lack of resources, resulting in a lack of basic facilities and so this affects the quality of education adversely. Many positions are lying vacant for a long time and sometimes it is done intentionally. On the other hand, all these deficiencies persist in the private sector but here the purpose is to earn profit as the regulator is ineffective. A regulator finds itself unable to enforce the rules and regulations effectively. In such a situation, private sector institutions are earning huge profit by producing poor quality education. At present, the regulation in higher education is assaulting the autonomy of public sector institutions on one hand and on the other hand is finding itself difficult to enforce regulation in the private sector. The above reasons are probably responsible for degeneration in the quality of education in India.

CONCLUSION

Privatisation has been increasing rapidly in higher education in India. Tools of the market (price mechanism, demand, and supply, profit maximization, etc) are being applied to higher education service. Investment for profit earning in higher education is not viable legally because the nature of the higher education market is different from other consumption goods in the market. Higher education is credence goods, consumer goods, an investment goods and the consumer (student) is also the co-producer with the service provider (faculty). An ideal regulatory framework is required in higher education which can maintain the autonomy with accountability to achieve quality and excellence in the higher education system.

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