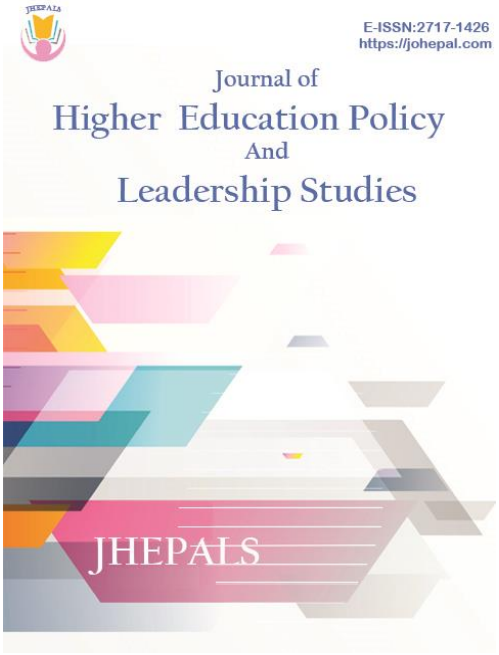
Journal of
Higher Education Policy
And
Leadership Studies

JHEPALS (E-ISSN: 2717-1426)

https://johepal.com



Self-Financed Private Universities in India: Genesis, Growth and Policy Implications

Furqan Qamar

Professor of Management, Centre for Management Studies, Jamia Millia Islamia, New Delhi, India

Email: fqamar@jmi.ac.in ; qamar.pc@gmail.com

Article Received	Article Accepted	Published Online
2021/06/14	**2021/06/30**	**2021/04/07**

Cite article as:

Qamar, F. (2021). Self-financed private universities in India: Genesis, growth and policy implications. *Journal of Higher Education Policy and Leadership Studies*, *2*(2), 69-81. DOI: https://dx.doi.org/10.52547/johepal.2.2.69

[Downloaded from www.johepal.com on 2026-11-08]

[DOI: 10.52547/johepal.2.2.69]

Self-Financed Private Universities in India: Genesis, Growth and Policy Implications

Journal of Higher Education Policy And Leadership Studies (JHEPALS)

E-ISSN: 2717-1426
Volume: 2 Issue: 2
pp. 69-81
DOI:
10.52547/johepal.2.2.69

Furqan Qamar *

Abstract

The extent and intensity of private sector participation in higher education has been much more rapid in Asia than in any other parts of the world. Most countries in Asia proactively promote private higher education but at the same time they are also wary about their quality. India has been no exception where private participation in higher education date back to the origin of modern higher education in the country. The country has wide variety of private higher educational institutions to which a new kind was added as late as in 2007. These are called 'Self-financed Private Universities or 'State Private Universities. This paper seeks to present a peep into their genesis and growth and examines issues related to the access, equity and quality emanating from their mushroom growth. Though the article is India specific but its content may find resonance in many countries of the world.

Keywords: Higher Education; Higher Education Policy; Private Higher Education; Privatisation of Higher Education; Private University/Universities

*Corresponding author's email: fqamar@jmi.ac.in ; qamar.pc@gmail.com

[Downloaded from www.johepal.com on 2026-11-08]

[DOI: 10.52547/johepal.2.2.69]

Introduction

The extent and intensity of private sector participation in higher education has been more conspicuous in Asia than in the other parts of the world. The policy planners in most of countries of Asia believed that the involvement of the private sector in higher education is not only inevitable but essential for creating capacities, enhancing access and lessening the burden on public exchequer for financing the higher education. Private sector is not only encouraged to establish and operate new higher educational institutions, but conditions are also created to nudge privatisation of public higher education through a wide variety of devices and instruments. Interestingly, however, while these countries proactively promote private higher education, they are often wary of their 'dubious quality'; and their concerns are not without reason as only a few private universities are found ranked high while most are of poor to very poor quality. Such concerns notwithstanding, the Private higher education has become all the more pronounced over the past three decades across the world but more so in Asia to become a dominant player (ADB, 2012). In Bangladesh, for example, the higher education has seen massive growth with a very heavy participation of the private sector (Kabir & Chowdhury, 2021).

Not only in Asia, but other continents as well have either experimented with the private higher education or have been contemplated to do so. Africa, too, for example sees higher education as a market and seeks private investment for the expansion and quality of higher education (Mogaji et al, 2020). The emerging markets in Europe too have been experimenting heavily with the private higher education (Franceško, et al 2020). So has been the case with many other European countries (Teixeira, et al, 2021). Even the protected economies which adopted market communism, opened their doors for the private higher educational institutions (Wang, Yang, & Maresova, 2020)

India has been no exception to this trend. Rising demand for higher education coupled with stagnant, if not declining, public investment in higher education caused massive demand-supply gap made it an ideal condition for the private sector to participate in higher education (Rani, 2011). If India today boasts of being the single largest system of higher education in terms of the number of institutions and the second largest in terms of higher education enrolment, the private sector can claim a fair share of credit (Saravanakumar & Padmini Devi, 2020). But this is all about the numbers and the system as a whole suffers from persistent gaps in the quality which can be attributable squarely to the decline in public investment and rise in the private participation. It is, thus no surprise that the expansion in higher education has characterised as "unplanned and uncontrolled" causing "fall in teaching standards, over-crowding and inability to provide necessary facilities and satisfactory working condition" (Naik, 1974). Others, though, have attributed the poor quality higher education to massive expansion in higher education (Varghese, 2015).

Private participation in higher education in India may have gained prominence after economic liberalisation of early nineties, the country has been experimenting with private participation in higher education. Ever since the beginning of the modern higher education, the missionaries, philanthropists, reformists and nationalists have been playing major role in higher education. It is a historical fact that rapid expansion of higher education during 1882-1902 was propelled by the 'private enterprise' such that by 1902, the colleges dependent mainly or wholly on fees had already become quite widespread. In fact, by 1885

[Downloaded from www.johepal.com on 2026-11-08]

[DOI: 10.52547/johepal.2.2.69]

itself, two of the very first three modern universities of India i.e. the Universities of Calcutta and Madras had become entirely self-funded though the Bombay University was still received a small government grants (GOI, 1950).

As expected the constraints and limitations of the private higher education too became a common knowledge since the very beginning. Despite the fact that the private involvement in higher education was then guided by the philanthropic motive but even that did not deter commercialisation. Reportedly, the proprietors 'reaped handsome revenue' generally by admitting much more students than their capacity. So much so that even institutions founded by the 'distinguished men with the best motives 'had "deteriorated into mass-production establishments where income from fees had become the main consideration"(GOI, 1950, p. 367).

Post reforms process of economic liberalisation, privatisation and globalisation and structural adjustment, the nature and extent of private participation in higher education has undergone colossal change. The past three decades have witnessed 'private trends even in public higher education' due to increased 'cost recovery', pressure for 'resource mobilisation', emphasis on 'resource-use efficiency' and 'cost-reduction' and demand for 'value-for-money'. Higher education has since been guided by the neoliberal agenda with preeminent focus on 'shifting the burden of cost from the public to private sector' (Varghese, 2000). The tendency of profit replacing philanthropy has also become quite marked (Tilak, 2006), even though the law bars profit motives in educational activities.

Private participation in higher education, initially, pervaded the high-demand professional, technical and medical higher education (Agarwal, 2007) across southern and western provinces of India (Tilak, 1991), in the form of the self-financed private colleges (Tilak, 2009). The process has now deepened across most provinces of the country ruled by varied political dispensations, with few exceptions (Tilak, 2018). Further, the phenomenon has now spread across a wide variety of disciplines including general higher education. Mono-disciplinary affiliating universities and domain-based regulatory authorities have catalysed the process further expansion. A glance at the contemporary scenario of higher education reveals that the private sector now dominates the higher educational institutions as well as well as enrolment (Table 1).

Considering the fact that the aspiration to raise the Gross Enrolment Ratio (GER) to 50 percent by 2035 (GOI, 2020, p. 36), the higher education sector is poised to grow further and rather quite rapidly. Irrespective of the ground realities and past experiences, much of this growth is likely to come about through the involvement of the private sector, both Indian as well as foreign (GOI, 2020).

[Downloaded from www.johepal.com on 2026-11-08]

[DOI: 10.52547/johepal.2.2.69]

Self-financed Private Universities in India

Table1
Share of the Self-financed Private Sector in the Total Number and Enrolment in Higher Education in India as in 2018-19

Type of Higher Educational Institutions	Total Number	Enrolment (In Thousand)	Share of the Self-financed Private Sector in Number (%)	Share of the Self-financed Private Sector in Enrolment (%)
Institutions of National Importance	127	228	0	…
Institutions Under State Legislature	5	5	0	…
Central Universities	46	705	0	…
Central Open Universities	1	1,035	0	…
Deemed Universities	124	794	64.5	87.8
State Universities	675	3,545	45	32.6
State Open Universities	15	1,174	6.7	…
University level Institutions	993	7,486	38.8	24.8
Colleges of Higher Education	39,931	26,466	61.5	45.2
Stand Alone Higher Educational Institutions	10,728	2,147	66.2	66.2
In all Higher Educational Institutions	51,652	36,099	60.04	44.2

Source: Source: Computed by the author from the data culled out from AISHE Report for the year 2018-19

Background

Self-financed Private Universities, which All India Survey of Higher Education (AISHE) refers to as 'State Private Universities' (GOI, 2019) are relatively a new addition to the wide variety of private higher educational Institutions in the country. These universities are established by the Act passed by the legislative assemblies of the respective state governments, as self-self-financed universities. The law by which such universities are established declare them ineligible to receive grants-in-aid from the government. Prior to their coming on the scene, most private providers in higher were in the form of self-financed colleges affiliated to the public-funded central or state universities.

Additionally, there were a good number self-financed institutions which were declared as institutions deemed to be universities (deemed universities) by the Ministry of Human Resource Development (MHRD), now renamed as the Ministry of Education (MoE) under Section 3 of the University Grants Commission (UGC) Act 1956.

Following the announcement of the national education policy 1986 and its implementation through the programme of action document 1992, the clamour for permitting private sector to establish private universities grew. It was argued that the higher education sector need to expand manifold to meet the rising demand for higher education and that the public investment would never be sufficient for the purpose. It was further argued that the higher education sector would have healthy growth if there were competition between the public and private education providers as it would bring in efficiency leading to the promotion of quality and excellence. While Expansion, Equity and Excellence have been, and continue to be, the cornerstones of higher education policy in India, the entry of the private sector in higher education triggered a paradigm shift in the approach to accomplishing the three cherished goals. Since then the higher education policy

[Downloaded from www.johepal.com on 2026-11-08]

[DOI: 10.52547/johepal.2.2.69]

has undergone massive changes. Three decades on, the central and the state governments appear confused about the developments in higher education.

It is in this backdrop that this article seeks to explore the development of the self-financed private universities establish by or under state legislation to analyse their growth and challenges that they pose for the equity and excellence in the higher education sector. The article also seeks to analyse the response of the union and the state governments to address the challenges emanating from this type of higher education providers with a view to assess their efficacy. Expectedly, the article also aims at putting across some suggestions for making the best of the initiative so as to ensure that these kind of higher educational institution grow to become better know institutions in the country.

Genesis of the Self-Financed Private Universities

The first initiative for permitting private universities in the country came from the central government as early as in 1995 when Private Universities (Establishment and Regulation) Bill was introduced in the upper house of the parliament. Rajya. It could, however, not become a law and was finally withdrawn in 2007. While MHRD continued to deliberate the pros and cons of such an initiative, the state governments took the plunge and started permitting private universities within their own territorial jurisdiction. With higher education being in the concurrent list of the Indian Constitution, both the union as well as the state governments are permitted to enact legislation on higher education.

The states were using this power for setting up public funded state universities. They now realised that they are equally empowered to establish self-financed private universities. Consequently, the number of private universities grew in the country at an explosive rate, compelling the University Grants Commission to notify a regulation in 2003 to oversee the establishment and maintenance of standards in private universities. At the same time, many states also went overboard. Chattisgarh, a newly formed states in 2000, enacted a legislation for permitting private universities in 2002 under which as many as 112 privates universities were granted license within a span of two universities. The legislation was, however, quashed by the Supreme Court of the country in 2005 on account of technicalities and all the private universities established under the Act were declared ultra vires and closed down. UGC website as on date displays the complete judgement, and a list of 97 universities established under the Adhiniyam that cease to exist (UGC, 2004).

Growth of Self-Financed Private Universities

Failure of the Chhattisgarh experiment, however, did not serve as a deterrent, as many other states too came forward with framework and law to permit the entry and operation of the private universities. Following the Supreme Court Judgement, they, however, avoided licensing universities under an umbrella legislation. Instead, each private university was established by a separate legislation. Consequently, by 2007-08, as many as 16 self-financed private universities were already established in the country. They accounted for nearly 4 percent of the total number of university level institutions in the country. Since then their numbers have only been rising steadily to touch 327 by 2019-20. They presently account for 31.5 percent of the total university level institutions in the country. Importantly, while the country recorded an overall growth of 2.57 times since 2007-08, the state private universities grew by 20.44 times during the corresponding period (Table 2).

[Downloaded from www.johepal.com on 2026-11-08]

[DOI: 10.52547/johepal.2.2.69]

Self-financed Private Universities in India

Table 2:
Growth in the Number of Self-Financed Private Universities vis-a-vis Total number of Universities

Years	Total No. Of Universities	State Private Universities	Percentage of State Private Universities	Growth in Universities	Growth in State Private Universities
2007-08	406	16	3.94%	100.00	100.00
2010-11	621	87	14.01%	152.96	543.75
2011-12	642	105	16.36%	158.13	656.25
2012-13	667	122	18.29%	164.29	762.50
2013-14	723	153	21.16%	178.08	956.25
2014-15	760	181	23.82%	187.19	1131.25
2015-16	799	197	24.66%	196.80	1231.25
2016-17	864	233	26.97%	212.81	1456.25
2017-18	903	262	29.01%	222.41	1637.50
2018-19	993	304	30.61%	244.58	1900.00
2019-20	1043	327	31.35%	256.90	2043.75

Source: Computed by the author from the data culled out from AISHE Report of the respective years

Growth of Enrolment in Self-Financed Private Universities

Self-financed private universities may have grown in number by leaps and bound but they still account for only a minuscule share of enrolment in higher education, though their share are steadily rising over time. Self-financed private universities accounted for 4.90 percent of the total enrolment in universities and just 0.93 percent of the total enrolment in higher education as late as in 2011-12. They have since been consolidating their position rapidly and as in 2019-20, their share in the enrolment in the universities and in total enrolment in higher education has gone up to 15.68 percent and 3.31 percent respectively (Table 3).

Table 3
Enrolment in Self-financed Private Universities Total and as a percentage to total enrolment in universities and total enrolment in higher education

	Total Enrolment in			Enrolment in Private Universities as a % of	
Year	Higher Education	Universities	Private Universities	Enrolment in Universities	Enrolment in Higher Education
2011-12	2,91,84,331	55,16,290	2,70,495	4.90%	0.93%
2012-13	3,01,52,417	58,43,660	3,74,576	6.41%	1.24%
2013-14	3,23,36,234	63,79,598	4,56,817	7.16%	1.41%
2014-15	3,42,11,637	63,87,255	5,55,262	8.69%	1.62%
2015-16	3,45,84,781	66,89,196	6,03,876	9.03%	1.75%
2016-17	3,57,05,905	70,72,284	7,68,389	10.86%	2.15%
2017-18	3,66,42,378	72,65,397	10,35,729	14.26%	2.83%
2018-19	3,73,99,388	74,86,795	11,57,093	15.46%	3.09%
2019-20	3,85,36,359	81,38,368	12,76,201	15.68%	3.31%

Source: Computed by the author from the data culled out from AISHE Report of the respective years

[Downloaded from www.johepal.com on 2026-11-08]

[DOI: 10.52547/johepal.2.2.69]

Contribution of Self-Financed Private Universities in Access

Access in higher education is generally measured by the Gross Enrolment Ratio (GER) which is a ratio of total enrolment in higher education as a percentage of the population in the relevant age group and in AISHE report the relevant age group is defined as persons in the age group of 18-24 years. Analysis of data compiled from AISHE of various years shows that while GER for higher education has gone up from 20.80 percent in 2011-12 to 27.08 percent in 2019-20, the contribution of the university sector in GER has been only marginal at 3.93 percent in 2011-12 and at 5.72 percent in 2019-20. The contribution of the self-financed private universities in GER has gone up from the negligible 0.19 percent in 2011-12 to about 0.90 percent in 2019-20 (Table 4).

Table 4
Gross Enrolment Ratio (GER) in Self-financed Private Universities

Years	Population in Age Group 18-23	Total Enrolment in			Gross Enrolment Ratio (GER)		
		Higher Education	Universities	Private Universities	Higher Education	Universities	Private Universities
2011-12	14,03,17,069	2,91,84,331	55,16,290	2,70,495	20.80%	3.93%	0.19%
2012-13	14,05,58,699	3,01,52,417	58,43,660	3,74,576	21.45%	4.16%	0.27%
2013-14	14,08,01,526	3,23,36,234	63,79,598	4,56,817	22.97%	4.53%	0.32%
2014-15	14,10,45,558	3,42,11,637	63,87,255	5,55,262	24.26%	4.53%	0.39%
2015-16	14,12,90,793	3,45,84,781	66,89,196	6,03,876	24.48%	4.73%	0.43%
2016-17	14,15,37,252	3,57,05,905	70,72,284	7,68,389	25.23%	5.00%	0.54%
2017-18	14,18,29,528	3,66,42,378	72,65,397	10,35,729	25.84%	5.12%	0.73%
2018-19	14,20,78,501	3,73,99,388	74,86,795	11,57,093	26.32%	5.27%	0.81%
2019-20	14,23,28,704	3,85,36,359	81,38,368	12,76,201	27.08%	5.72%	0.90%

Source: Computed by the author from the data culled out from AISHE Report of the respective years

Faculty in the Self-Financed Private Universities

Faculty members are critical for higher education. They are the backbone for ensuring quality and promoting excellence in the institutions of higher education. AISHE reports provide data on the total number of teachers in different types of universities and it was possible to calculate the number of teachers in all higher educational institutions, universities and the self-financed private universities. The data so collated over a period of time indicates that the total number of teachers in higher education has gone up from 1.25 million in 2011-12 to 1.50 million in 2019-20, though in between the number had touched its highest at 1.51 Million in 2015-16. Of these, the number of teachers employed in the universities (excluding the colleges and other higher educational institutions) has ranged between 132 thousand in 2011-12 to 214 thousand in 2019-20 (Table 5).

As was the case with the enrolment, the number of teachers employed in the self-financed private universities reflect only a minor share. The number of teachers in these universities though has increased from about 18 thousand in 2011-12 to 67 thousand in 2019.20. During the same period, however, the share of the self-financed private universities in 2019-20 works out to 4.46 percent of all the faculty members in the entire higher education as much as 31.28 percent of all faculty members in the university sector (Table 5).

[Downloaded from www.johepal.com on 2026-11-08]

[DOI: 10.52547/johepal.2.2.69]

Self-financed Private Universities in India

What is quite revealing is the fact that the self-financed private universities have been maintaining a higher and better Student-Teacher-Ratio (STR) as compared to the higher educational institutions in general and to the university level higher educational institutions in particular. It appears that they are becoming quality conscious to survive in the competitive environment and have realised that the faculty can play a very critical role in this regard (Table 5).

Table 5
Number of Teachers in the Self-financed Private Universities

Years	Total Number of Teachers in			Teachers in Private Universities as a percentage of Total Teachers in		Student Teacher Ratio in		
	Higher Education	Universities	Private Universities	Higher Education	Universities	Higher Education	Universities	Private Universities
2011-12	12,47,453	1,32,529	18,001	1.44%	13.58%	23.40	41.62	15.03
2012-13	13,08,571	1,43,816	21,780	1.66%	15.14%	23.04	40.63	17.20
2013-14	13,67,535	1,57,037	27,801	2.03%	17.70%	23.65	40.69	16.43
2014-15	14,73,255	1,65,225	31,085	2.11%	18.81%	23.22	38.66	17.86
2015-16	15,18,813	1,82,506	39,042	2.57%	21.39%	22.77	36.65	15.47
2016-17	13,65,786	1,57,874	38,522	2.82%	24.40%	26.14	44.80	19.95
2017-18	12,84,755	1,58,830	39,994	3.11%	25.18%	28.52	45.74	25.90
2018-19	14,16,299	1,90,040	38,770	2.74%	20.40%	26.41	39.40	29.85
2019-20	15,03,156	2,14,330	67,044	4.46%	31.28%	25.64	37.97	19.04

Source: Computed by the author from the data culled out from AISHE Report (GOI, 2020a) of the respective years

Table 6
Number of Self-Financed Private (State Private) Universities Ranked amongst the TOP 100 Universities in the National Institutional Ranking Framework (NIRF)

Ranks	2016	2017	2018	2019	2020
Top 10					
11-20					
21-30					
31-40					1
41-50			1		
51-60		2	1	2	1
61-70	1				
71-80					1
81-90	1		1		
91-100	1	2	1		1
Total in NIRF 100	**3**	**4**	**4**	**2**	**4**
Number of Private Universities	**197**	**233**	**262**	**304**	**327**
Ranked as % of Total	**1.52%**	**1.72%**	**1.53%**	**0.66%**	**1.22%**

Source: Computed by the author from the list of Top 100 NIRF (GOI 2020c) ranked universities for the respective years

[Downloaded from www.johepal.com on 2026-11-08]

[DOI: 10.52547/johepal.2.2.69]

Self-Financed Private Universities in the National ranking

In terms of quality, the self-financed private universities have to still go a long away. To get a handle on this dimension, data were collected about the number of self-financed private universities that were found ranked amongst the top 100 universities since the inception of the National Institutional Ranking Framework (NIRF) in 2016. The data reveals that a maximum of 4 self-financed private universities have so far found place in the ranking. This is understandable on the ground that the self-financed private universities are of recent origin and the oldest of them are only about 13 years old. It should also be encouraging to note that a few of them have been rising up the ladder (Table 6).

Summary, Findings and Conclusion

The above analysis make it abundantly clear that while the Union Government could not take a call in creating an enabling framework or legislation to permit the entry and operation of the self-financed private universities, the State Governments have taken the lead in this regard. As of now, an overwhelming majority of the states, barring only a few exception, have permitted the establishment self-financed private universities within their territorial jurisdiction. Rapid rise in the number of self-financed private universities notwithstanding, most of these universities are still operating at a small scale accounting for a small share in the total enrolment in higher education. Their impact in terms of the Gross Enrolment Ratio (GER) has also been very low.

Despite their being small-sized and minimal in terms of impact, misgivings about the self-financed private universities are abound. These are mostly triggered by sporadic and anecdotal evidence. They are accused of malpractices. It is claimed that they are often guided by commercial consideration and are run and administered by closely-held family with its members occupying key decision making position. They are also accused of offering only high demand professional programmes so that they could charge high fees. They create physical facilities and infrastructure on borrowed fund which are serviced out of the revenue generated by them through student fees. The list could be unending. Even though many such accusations could not be generalised, as a rule, the regulators at the centre as well as the provincial governments tend to them rather seriously.

The allegations are hardly examined systematically. Nor any significant attempts are made to establish as to how rampant such malpractice are and tend to take action to further tighten the regulatory restriction. Initially, many state governments brought in rules and directives to regulate private educational institutions including the self-financed private universities. Most recently, many have established Private Higher educational Institutions or Private Universities Regulatory Commission. Higher Education being in the concurrent list, state governments are empowered to legislate for the establishment and governance of universities and technically they may be fully justified in taking the initiatives in promoting universities in the private sector. However, the issues involved here are much deeper and the path to private participation in higher education is full of fright and need to be treated with utmost caution.

The foremost danger in this regard emanates from the very basic characteristics of higher educational services. Unlike most other products and services, which are bought just for a monetary price and can be returned or simply dumped if they do not satisfy the buyers,

[Downloaded from www.johepal.com on 2026-11-08]

[DOI: 10.52547/johepal.2.2.69]

the educational products are earned over a period of time. The acquirers of higher educational buyers do not only pay a financial price but also invest three to five years of their life and are thus irreversible in nature. Importantly, investment in education is also unique in the sense that there cannot be developed a secondary market where educational investments can be sold, even at some loss, if the market conditions turn unfavourable.

The above peculiarity needs to be clearly understood in order to realise that the government will have to ensure that educational services at offer are intrinsically of very high value indeed and that has to be ensured through a very effective regulatory mechanism. Leaving educational services to the mercy of market mechanism alone would simply not work. While declining public investment in higher education and widening gap between the demand and supply of quality higher education may make private investment imminent, due care must be taken to see that the opportunity is not exploited by the profiteers and fly by night operators.

At the same time, it must be recognised that too tight a noose may in fact strangulate these institutions and stifle their growth. Establishment of private universities must therefore be guided with the concerns for improvement in quality and maintenance of standards. Since these largely depend on investments in infrastructure and physical facilities, the legislations enabling establishment of private universities must provide for a certain minimum level of investments as a prerequisite.

Tendencies of private providers to offer only market-oriented programs of studies could be deterred by incentivising institutions to also offer liberal higher education. Professional and technical programs are indeed important and meet the most immediate requirements of the job market but higher education is not only about developing skills for the contemporary market needs but also to be the fountainhead for the creation and development of new knowledge. In a knowledge society, the future growth and development, even sovereign survival, of a nation depends heavily on its capacity to create knowledge.

The recently announced National Education Policy (NEP, 2020) sets the target of raising the Gross Enrolment Ratio (GER) in higher education from about 28 percent at the present to 50 percent by 2035. This calls for an annual growth rate of about 5 percent, an achievable target but would be causing a very rise in the number of new universities and colleges also sharp increase in enrolment in the existing ones. Given the assertion of NEP 2020 that the growth in higher education shall come through both the public investment as well as private participation in higher education, it may be assumed that the private sector shall grow in importance and the self-financed private universities shall have their fair share in this growth.

The propensity of the private sector to proliferate has been so strong that past efforts to curb them have been thwarted to a large extent. When Chhattisgarh experiment of establishing 110 universities in less than two years was scrapped, the private sector soon found a way out in the deemed university route and while MHRD is still struggling to effectively regulate deemed universities in the country, the establishment of private universities under state legislation has become a favourite. Importantly, governments across all political spectrum have been found amenable to the idea, and equally proactive in vesting a part of their higher educational responsibilities.

[Downloaded from www.johepal.com on 2026-11-08]

[DOI: 10.52547/johepal.2.2.69]

Notwithstanding the apprehensions about the motives, intentions, working and performance of the private and deemed universities, an effective regulatory mechanism to encourage and incentivise genuine private investment and discourage, dissuade and penalise the bad ones is still awaited. In fact, a study undertaken by the author also revealed that the quality of higher education is in fact inversely proportional to the intensity of the Regulation (Qamar, 2017; Qamar, 2020). NEP 2020 seeks to achieve this through a voluntary disclosure policy whereby all higher educational institutions, public or private, shall be required by law to disclose all the critical information about their funding, operations and performance. The policy further states that the private and the public higher educational institutions shall be treated at par. Subjecting both the private and public institutions of higher education to the same benchmark and standards of working and performance is a welcome step and would exert some pressure not only on the private institutions to behave but also on the public system to improve.

After all, it is the failure of the public system that has given rise to such mushroom growth of private higher education. Underinvestment in public higher education leading to dilapidation of physical infrastructure, redundancies of physical facilities including classroom and laboratory equipment, restrictions on creation and filling up faculty and other support staff and undue insistence on adherence to bureaucratic procedures coupled with the inability of the public universities to restructure and rationalise their internal process to become responsive to massive changes in the expectations of students to pursue programmes of studies that they considered relevant to the job market requirements have, if nothing else, justified the need for private higher education. Needless to say that those of the public higher education that are perceived to be providing quality higher education continues to be the first choice for most students, but such institutions are too few and far between.

Notwithstanding the rhetoric, the high-fee charging, new-generation self-financed private higher educational institutions are now a reality. Faced with the competition and compelled by the circumstances, the public universities and their colleges are also resorting to self-financed programmes of studies particularly in the high demand professional and technical disciplines consequently, at both ends, the cost of higher education has been rising drastically and recoveries from students rising. A situation like this gives rise to two major concerns that warrant timely attention of the policy planners. Equitable and inclusive access to higher education impinges heavily on the nation's ability to provide higher education at an affordable cost. In Indian context, where access to higher education is already highly skewed and tilted in favour of the rich and elite, making higher education inclusive and affordable has to get top-most priority. Mere provision for equal access shall however, not be sufficient to make higher education inclusive and equitable. This requires proactive policies (Salmi & D'Addio, 2021).

[Downloaded from www.johepal.com on 2026-11-08]

[DOI: 10.52547/johepal.2.2.69]

References

ADB, (2012). *Private Higher Education Across Asia: Expanding Access, Searching for Quality*. Manila, Philippine: Asian Development Bank.

Agarwal, P. (2007). Higher education in India: Growth, concerns and change agenda. *Higher Education Quarterly, 61*(2), 197-207. https://doi.org/10.1111/j.1468-2273.2007.00346.x

Franceško, M., Nedeljković, J., Živković, M., & Đurđić, S. (2020). Public and private higher education institutions in Serbia: Legal regulations, current status and opinion survey. *European Journal of Education, 55*(4), 514-527. https://doi.org/10.1111/ejed.12424

GOI. (1950). *The Report of the University Education Commission (December 1948- August 1949).* (Publication No. 606). New Delhi: Ministry of Education, Government of India.

GOI. (2019). *All India Survey of Higher Education (AISHE) - 2018-19*. New Delhi: Ministry of Human Resource Development (MHRD), Government of India.

GOI. (2019b). Draft National Education Policy 2019 – Report of the Kasturirangan Committee, New Delhi: Ministry of Human Resource Development, Government of India.

GOI. (2020a), All India Survey of Higher Education (AISHE) – 2019-20. New Delhi: Ministry of Education, Government of India.

GOI. (2020b). *National Education Policy 2020*. New Delhi: Ministry of Human Resource Development (MHRD), Government of India.

GOI. (2020c), National Institutional; Ranking Framework (NIRF), Ministry of Education, Government of India. https://www.nirfindia.org/2020/Ranking2020.html

Kabir, A. H., & Chowdhury, R. (2021). *The Privatisation of Higher Education in Postcolonial Bangladesh*. London: Routledge. https://doi.org/10.4324/9780429266607

Mogaji, E., Maringe, F., & Hinson, R. E. (2020). *Understanding the Higher Education Market in Africa*. New York: Routledge.

Naik, J. P. (1974). *Policy and Performance in Indian Education*. Paper presented at the Dr. K.G. Saiyidain Memorial Lecture.

Qamar, F. (2017). Higher education, low Regulation. *The Indian Express*. https://indianexpress.com/article/opinion/columns/higher-education-low-regulation-university-grants-commission-quality-of-education-4636106/

Qamar, F. (2020). Regulation of higher education in India. In N. V. Varghese, & G. Malik (Eds.), *Governance and Management of Higher education in India* (pp. 44-70). New Delhi, India: Sage & NIEPA.

Rani, P. G. (2011). An international perspective on the methods and practices of student loans: Its implications for India. *Economics, Management and Financial Markets, 6*(4), 105-125.

Salmi, J., & D'Addio, A. (2021). Policies for achieving inclusion in higher education. *Policy Reviews in Higher Education 5*(1), 47-72. https://doi.org/10.1080/23322969.2020.1835529

Saravanakumar, A. R., & Padmini Devi, K. R. (2020). Indian higher education: Issues and opportunities. *Journal of Critical Reviews, 7*(2), 542-545. http://dx.doi.org/10.31838/jcr.07.02.101

Teixeira, P., Sá, C., Cerejeira, J., Figueiredo, H., & Portela, M. (2021). Mass higher education and its civic impacts in Portugal and Spain. *Journal of Education Finance, 46*(4), 496-518. https://muse.jhu.edu/article/796978

Tilak, J. B. G. (1991). The Privatization of higher education. *Prospects, 21*(2), 227-239. https://doi.org/10.1007/BF02336063

Tilak, J. B. G. (2006). Private higher education: Philanthropy to profits. In J. Tres, & F. López-Segrera (Eds.), *Higher Education in the World 2006: The Financing of Universities* (pp. 113-121).

[Downloaded from www.johepal.com on 2026-11-08]

[DOI: 10.52547/johepal.2.2.69]

Barcelona: Global University Network for Innovation and Palgrave Macmillan. https://upcommons.upc.edu/bitstream/handle/2099/6956/2006-02_eng_tilak.pdf

Tilak, J. B. G. (2009). Private sector in higher education: A few stylized facts. *Social Change, 39*(1), 1-28. https://doi.org/10.1177/004908570903900101

Tilak, J. B. G. (2018). Private Higher Education in India. In J. B. G. Tilak, *Education and Development in India: Critical Issues in Public Policy and Development* (pp. 535-551). Singapore: Palgrave Macmillan.

UGC. (2004). *Supreme Court Judgement on Private Universities in Chhattisgarh*. Available online at https://www.ugc.ac.in/subpage/Supreme-Court-Judgment-Chhattisgarh.aspx

Varghese, N. V. (2000). Reforming educational financing. *Unviable Universities: A Symposium on the Crisis in Higher Education.* Available online at https://www.india-seminar.com/2000/494.htm

Varghese, N. V. (2015). Challenges of massification of higher education in India. In N. V. Varghese, & C. M. Malish (Eds.), *CPRHE Research Papers 1* (pp. 1-47). New Delhi: National University of Educational Planning and Administration (NUEPA).

Wang, J., Yang, M., & Maresova, P. (2020). Sustainable development of higher education in China: A comparative study of students' perception in public and private universities. *Sustainability, 12*(6), 2158. https://doi.org/10.3390/su12062158

Dr. Furqan Qamar Professor at the Centre for Management Studies, Jamia Millia Islamia, New Delhi, has served as the Secretary General of the Association of Indian Universities (AIU), the largest and one of the oldest network of universities in the world. In his illustrious career, he has also held the position of the Vice Chancellor of the University of Rajasthan and the Central University of Himachal Pradesh as well as Advisor (Education) in the Planning Commission of India (Now NITI Ayog). He has keen research interest in public policy, planning, administration and financing of higher education and has numerous publications in journals of repute to his credit. He has chaired and been members of a large number of committees, working groups at the national and international level.

[Downloaded from www.johepal.com on 2026-11-08]

This is an open access article distributed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International (CC BY-NC 4.0) which allows reusers to distribute, remix, adapt, and build upon the material in any medium or format for noncommercial purposes only, and only so long as attribution is given to the creator.

[DOI: 10.52547/johepal.2.2.69]