

PRIVATEERS IN HIGHER EDUCATION: CASTING INDIA INTO THE ABYSS

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Abstract - . When India became independent, there were very few Private Colleges and Institutions, and most Indians still attended traditional colleges, which were managed by the Government or were under the jurisdictional authority of a Government administered University. These colleges were required to act in the best interests of the students and the country.

Now, we live in a country where the higher Education sector is largely privatized, with myriad private colleges and universities in operation, and where large scale dilution of standards and practices exists. This is a time when most students and parents depend on ranking lists and reports of Private Magazines for their career decisions, and where the risks and costs of quality educations are entirely borne by the student and/or parents. In this world of individualized rankings varying from Magazine to Magazine, stronger protections are needed to protect prospective candidates and their parents.

Key Words: B School Ranking, Education, Media, IIM, MHRD.

1.INTRODUCTION

Since the BJP led NDA breezed into power in 2014, the Narendra Modi led Government has seen a serious reversal of fortunes in several of the bills and policies it had tried to implement. Entire seasonal washouts in Parliament during these sessions, along with walkouts and cacophonous debates have often held up the front pages, to the point of deriding almost every conceivable amendment or act that it had tried in vain to enforce. Somewhere along the way, the good was also thrown out with the bad, to the detriment of the Indian public, and particularly spelled the death knell to a promising career of an aspiring upstart, who was filled with ideological and visionary zeal. Since then, there has been a concerted effort to restore the status quo, while the public remained misled or misinformed about the importance and imperativeness of these reforms.

1.1 One only need to look back

Before to 2012, when Prime Minister Dr. Manmohan Singh had lamented about the sorry state of affairs in India's higher

education sector, that was persistently, and endemically plagued with corruption, nepotism, sycophancy, political puppeteering and an objectionable but visible fall in quality and output among India's elite institutions in the Global perspective. The MHRD under Smt. Smriti Irani, had largely tried to implement reforms in this sector, which the Knowledge Commission instituted by the former UPA Government, had, despite its noble intentions, so miserably failed to achieve. Against this backdrop, a vilified and cruel campaign to malign the reputation, and sully the office of one of the most powerful positions within the Indian Establishment, had succeeded with devastating effect. The media's role in this butchering was not minuscule by any standard. In this process, Smt. Irani's efforts in the last 2 years to reform the Educational sector had assumed a Sisyphean irony, with the policies being washed away in a tsunami of criticism, and a wave of public outcry catalysed by a series of unfortunate events. The culmination of this malicious crusade is indeed a loss for our country, and its people.

The media outcry over the NIRF, or the Ranking framework instituted by the MHRD was an overzealous but mendacious attempt to gag the efforts of the Government in bringing in regulation to a crony-capitalism infested higher education sector where increasingly, one witnesses a close collaboration between Business Establishments and Media Enterprises. Rankings indexes by media, especially among premium educational programmes had resulted in fad among the youth in recent years, an observation not gone unnoticed by the former Prime Minister, especially for MBA and Engineering programmes, and boosted greatly by a subverted ranking process that became a featured fanfare among almost every major weekly and business magazine in the country over the last 5 years. Aspersions may be cast upon the truthfulness and honesty of several of these rankings, as one observes upon closer scrutiny, a lack of any scientific methodology, or a framework that can withstand legal scrutiny, when comparing important decision making criteria among the target student groups. Side-by-side comparisons of these magazines, and their ranking methodologies, shall confuse or confound an ill-informed parent of student, given a lack of consistency in their processes, and the extent of weightage given to attributable parameters that constitute the target student's evoked set.

The IIM-Bill that was proposed in the early months of 2015, and which in its wake invited a great hue and cry from both the media and the higher education sector, and whose

subsequently tamed version was finally drafted for approval under the new HRD Minister, disguises sinister motives that could be closely co-related to the epic rise of Masters and PG Diploma Programmes in Management since the early 2000s.

The defeat of the originally proposed Bill, and its redrafted version was a concerted effort by not only the IIMs, but also closely affiliated institutions that offered similar programmes at high prices under well advertised and publicized brand names. A well-entrenched and carefully orchestrated attack pinned down the efforts of the former HRD Minister for instituting reforms, by assuming a more pugnacious tone, and in its tone and temerity, made the incident seem more personal than one in the interest of public welfare. The aftermath of this onslaught and its effect will be one that reverberates for many years to come. The redrafted IIM-Bill is a far cry from the originally proposed document in its motive and intent, and seeks to further empower the Governing board and the offices of the IIM Directors. Debatable 'amendments' in the charter of the Alumni Association, and their conspicuous timing for revision, in light of the exit of the former HRD minister also seeks to reinforce this conjecture. The confederation of private PG Diploma offering institutes, called the EPSI will also breathe a sigh of relief with this end result. They have barely survived, by the skin on their teeth. For the time being, their businesses are intact.

Trashing the MHRD's efforts to bring in a system of ranking by the Government in the form of NIRF was a summative post-mortem that invited lashing criticism from all media quarters. The more spiteful of the articles questioned the intelligence and good judgment of the HRD minister, while there was a general consensus among the different outlets about the perceived bias, and favouritism shown towards Government colleges by the MHRD Ranking system. It is in light of these accusations that this article is written. The efforts by the HRD ministry was laudable, considering the fact that this was the first attempt by a Government agency to institute a policy of ranking and indexing institutions based on various parameters, and which by virtue of being a Government policy document, can withstand the rigour of legal scrutiny. In stark comparison, the ranking systems enforced and constituted by media publications, tends to show many discrepancies, and incongruity when subjected to closer introspection, particularly in connection with the methodologies applied, the parameters taken into consideration, the scientific veracity of the assessments in numerical terms, and the shifty nature of the institutions ranked by these indexes, when compared on a year-by-year basis.

The Indian citizenry were not oblivious to the MBA boom that was seen in the new millennia, whose allure and fascination were symptomatic of the popular literature available at that time through corporate icons turned novelists like Chetan Bhagat. In a nutshell, an MBA was a springboard for an aspiring Indian to financial affluence, in a

dogmatic equivalent to the craze and chase for Government jobs in Civil Services in earlier decades. An MBA was the surest shot to career, success, status, recognition, and the realization of the post-millennial Indian dream. This was accompanied by a surge in programmes offered in institutions all over the country, and the short duration within which it had capitulated, owing to the demand-supply imbalance in the job market, and the recessions that were witnessed all over the world in 2008 and 2011.

Charlatans and fly-by-night operators started their scams almost simultaneously. One only needs to look back to the days when the determined editor of JAM! Magazine, Rashmi Bansal sought to expose the lies about IIPM, even as our country's most respected publishers and press houses were cozying up in bed with Arindam Choudhary and his wife. cursory examination of the air-time Arindam received in News Channels like Zee during the Budget, or his full page ad-news digest called the IIPM times whose pretentious subterfuge literally piggybacked on the covers of major newspapers of our country can provide an indication to the magnitude of his operation. He even had his own Magazines (The Sunday Indian and 4Ps) to boot.

That the regulatory bodies during this time did little to stop these ubiquitous scams, that the Newspapers and Magazines paid scant attention to such an ominous robbery, that these very vestiges of the fourth estate was the prestidigitator to peddle these deceptive schemes, and the thousands of aspirants who were predictably embezzled as a result, would inconsoably cast the irony of truthful journalism into the cesspool of fallacious grandiosity.

The "fourth estate" is an autonomous pillar of our nation's democracy. Its purpose is to aid and facilitate the Democratic process by keeping the citizens duly informed about the functioning of the Government, and ensuring transparency by providing checks and balances to curb executive overreach and crony capitalism. But that check is only effective if the press acts contentiously to abuses of corporate or political power and subversion of rules and regulations with consistency and fairness.

In recent times, concentration of media ownership and profit-centred motives have essentially rendered this sacred duty derelict, by associating itself to purely commercial objectives. Print and Visual media have collaborated to the extent of serving as a vociferous advocate, rather than a scrutiniser of disinformation, and thus misleading the general public by misinterpretation and misrepresentation of facts, to the detriment of the whole country. In this sense, its fiduciary responsibility as protectors of the citizens' welfare is dubious at best.

Is the press acting in the best interests of people planning for higher study? Are they in this respect, while providing advice to career planners, students and prospective candidates,

acting in good faith by recommending the best institutions that meet the student's needs?

Sadly, the answer is no. Presently, the press adhere to the lesser standard of suitability, whereby they recommend institutions and publicize rankings that are "suitable" for their reader's needs. Essentially, they publicize rankings based on product(s) that generate the largest fees or commissions for themselves and their firms, which could naturally cast serious aspersions on the quality and value of the product(s) being recommended.

Advertising and ad based revenue, paid news/advertorials and other such commercial gains provide an incentive to steer prospective candidates into the institutions that pay them the highest commissions by ads, which generally charge higher fees and provide far lower returns than what they advertise. This is particularly damaging for the thousands of Indian students and parents whose crucial career decisions are made on the advice of such reports and rankings, as these conflicts of interest are exposing their money, career, time and effort to considerable risk.

The MHRD rightly inferred that bad reports and poor advice cost students lakhs of rupees of their investment. The magnitude of losses suffered by individual students until now could not be ascertained at the time of writing this report. In a recessionary scenario, their situation is likely to be far worse. The concern of bad student debts in Banks could be a sad reflection of this reality, where a student could have been lured by false promises and was left high and dry in the end. That these NPAs were now sold to ARCs reflect the extent of Crony-Capitalism in the country, where the end loser is the student who was taken for a ride. As no regulations governing such practices existed since independence, they reflect a very different academic and cultural reality

2. THE PRETENTIOUS PARADIGM OF ADVANTAGEOUS AUTONOMY

The IIMs were set up as Autonomous Institutions during their conception, as an exception to the general practice of bringing educational institutions under the jurisdictional purview of a University. In their original constitution, they were niche institutions established to provide world-class managers for India's industry, and set up in parallel to the IITs, to rival comparable institutions in the United States. India was a predominantly socialist economy back then, with almost all enterprises being owned and operated by the state. The first 4 IIMs performed spectacularly to this end, producing amongst its alumni, some of the most illustrious and well-known figures in modern India. Their presence is felt in every aspect of life today, whether it is in Government administration, Business, Arts and Science, Entertainment, News, Sports, Politics or even overseas. Until the late 1990s, their existence was modestly sublime, with knowledge only

seeping into the established middle-classes and the upper echelons of the social ladder. However, the unusual interest they have drawn in recent years, and the extravagant blandishments by the press and internet have made them an embellished epitome of intellectual eminence, and this has subsequently translated into these institutions becoming coveted prizes for the aspiring Indian. Today, an IIM is larger than life. So impressive were they in stature as hallowed grounds for academic excellence that several spell-alike institutions have set up to attract those aspirants who could not get the real-deal.

The last 10 years has witnessed a steady and concerted effort among the IIMs to increase its fees to such levels, that they are by cost (*of course fee alone*), comparable to the well established institutions in Europe or North America. In their course and character also, they have changed, post 1991, like James Bond, who found himself looking for new challenges with the demise of his cold-war adversary, the Soviet Union. Post liberalization, the bulk of IIM PGPs are recruited and employed by the private sector in India. Over the course of the last 60 years, their relevance and importance in society has undergone a phase change. It is in this light, the Government truly experiences a brain drain, with the students taking up jobs in private sector in preference to serving the interests of the country, which was originally the intention with which they were established. Privatization of PSUs have also rendered their original motives derelict.

What makes the IIMs so attractive for the Indian aspirant is its lure of incredible wealth, a promise of gaining high office, jet-setting lifestyle and status in society, accompanied by an enviable brand name that few can covet. The press also goes overboard every year in announcing pay packages in IIMs, which are often in Crores of rupees. (This is also a statistical ruse, as they often represent the highest salary, against the median or mode, or even the average). To an undiscerning reader, the highest pay package actually seems like average pay package offered to an IIM student. Placement and pay-packages have thus become the focal point.

This was the tantalising bait on which all other "*me too!*" programmes offered their courses as well. The chain of events that subsequently followed is now part of history, and also history in the making. Better institutions meant better infrastructure, better faculty, better students and resources, better placements and so on, and thus justify higher fees. This became a vicious cycle of events in which the IIMs also played a recalcitrant part. The fee hike each year was reported with the same fervour as the pay packages offered. Fee hike is IIMs justified fee hikes in other institutions, citing many reasons, and in this manner, the bubble kept expanding.

2008 CAT saw the highest ever test takers in its history with close to 2.8 lakh test takers. 2008 was a pinnacle year, as the number of CAT test takers have witnessed a rapid decline since then, resulting in one of the lowest numbers in 2012, at

1.70 lakhs. Although many factors were attributed to this, including changing the pattern of test-taking, along with outsourcing this work to private companies, the introduction of 6 new IIMs further diminished their brand stature owing to their exclusivity and elusive admission stringency. The declining interest in this sector, along with its increased commercialization, where Business Schools operated as businesses, should have naturally caused the Government some alarm. The Government's response was purely reflexive and vigilant in this regard, as the ethical deficits exposed in the wake of these trends, threatened to set these institutions off course. Nation building and creating sound managers have become a secondary concern to pay packages and crony capitalism. The ends have justified the means, and this was a threat to the country's future.

With the fad for MBA and PGDM waning in the second decade of the new millennia, institutions set up anticipating a surge in demand now were witnessing an acute shortfall in admissions. Placements were affected by recession and oversupply, students have moved on, and many of the commercial establishments, set up as trusts or societies were under threat of insolvency. This started the practice of bottom-feeding the market, where students who were otherwise unfit for such roles, were lured, and offered tantalising degrees, while producing only a brand identification without palpable change. Branding could be bought in the post license era by Ads, Advertorials in magazines, buying credentials, and magazine indexed rankings. The students who graduate from such institutions are ill-prepared for the hazards and competitiveness of the corporate jungle. They are qualified but unemployable. This deficit was further addressed by placement training enterprises set up exclusively for this purpose to address that void. Ergo one industry became dependent on another, which became still more dependent on another and so on and so forth. Test-prep companies that put the best students into the IIMs also served the other end of the market by providing after-sales support to the worst of the lot of institutions and colleges. This was a tangled loop of the higher educational runt.

The sector has thus become a full-fledged industry operated on commercial lines. The web of corruption is inescapable. This puts in squarely in the tertiary sector of the economy, alongside Banking, Telecom, and Insurance etc. etc. that defines it as the services sector. This definition must be reconstituted as an exclusive fourth sector of the Economy, or the quaternary sector, which can be called as the Knowledge sector. A sector specific encapsulation of knowledge creation and dissemination would bring back the Industry's focus back to the nation-building goal. This I believe is what the MHRD had in mind, in bringing some form of regulatory oversight into the private, public and public-private partnered institutions in our country. That it has failed in this effort is collectively a failure of the entire country, and cannot be attributed to the failings of one person alone.

The IIMs elevation to a pedestal has put it out of the reach of the poorer sections of society. While IIM Managements may justify the fee hike by citing the pay packages and ROI, this was not the original purpose for which they were intended. The ROI for the student must remain deferential to the ROI for the country. The country's benefit has been passed over, and this necessitated sober legislative jurisprudence in bringing these institutions back to their founding ideals.

Another key question at this time is the Non-profit disposition of these institutions. This has become a big question mark in recent years, as the Directors as well as faculty have also become larger than life figures, like the IIMs. Today, one sees the names of IIM Professors alongside international authors, published exclusively by the most renowned publishing houses, and being highly sought after both in India and overseas. This is commendable and praiseworthy Indian intellectual prowess. They serve on the advisory and governing boards of top corporate houses and public undertakings, take up multi-million rupee consulting assignments both with businesses in India and overseas, and also serve on the boards and governing bodies of other institutions in India offering PG Diploma programmes similar to the ones offered by the IIMs.

While one cannot argue by any reason, as to why they may not enjoy the fruits of their labour and intellectual merit, one must also be guarded when considering the over-imposing factors among private institutions in actively seeking out and pursuing such academicians to serve on their advisory boards. The existence of secondary and more rational financial objectives in these arrangements by the proprietors or heads of such institutions may be cautiously hypothesized, as they derive credibility from such association, and also feature prominently the Professors of the IIMs on their prospectuses and placement brochures as visiting faculty or board members. This is a derivative symbiotic subsistence, whereby the very existence and credibility of their Institutes programmes are by design embryonic-ally linked with the credence, popularity and widespread acceptance of the PGDM Diploma of the IIMs in the job market. If the IIMs received degree granting status, the PG Diplomas offered by the private institutions would be rendered worthless in retrospect. PGDM would become passé and defunct, given its statutory handicaps and reduced worth over a comparative MBA degree when considering higher education abroad. With over 400 such institutes offering PG Diplomas, and run by trusts and societies, their lobbying power with the Government in retracting this proposed move cannot be casually dismissed.

In the wake of the redistribution of the former HRD Minister to another ministry, and the opportune timing of passing important amendments and reaching an understanding with the new HRD Ministry in a low key event, it seems apparent that the moment for reforms has well and truly passed. The former HRD Minister has been un-hung and the IIM bill has been hung. The subsequent manoeuvring by the powerful

Directors of the top 4 IIMs, and their resurgent efforts into consolidating their hold over the administration and the alumni, with new rules coming into force with exuberant alacrity, indicates that the government has all but abandoned its efforts to pursue this matter any further.

There are many winners in this scenario. The IIM management is one, with considerably more powers, minimum dilution of their autonomy, and with the vitality imposed by fresh sources of funding. With their non-profit motives now on the backburner, and with the proposed formation of Special Interest Groups (SIG) amongst its illustrious global alumni chapters that can become powerful lobby groups in the corridors of power across nations, it is evident that no one within the present IIM system ever wants to revisit this chapter again.

The Private institutions offering PG Diploma's is another beneficiary. They just got their hail-Mary pass. With a product that is nearing the end of its shelf life, they will now move on to fresh vistas, and new birds to kill. This incident has made them stronger as a group, and with their lobbying efforts showing result, it would embolden them to take further risks, at the expense of the welfare of the student and the public. Private universities are the next big thing, with the new HRD Minister proposing further autonomy to colleges, and a relaxation of rules and regulation to stimulate growth, in strong contrast with the observations of the Former Prime Minister on the situation in concurrence with the inputs given in the 12th planning commission report.

The HRD Minister's prompt announcement will only serve to further the business interests of those who want to make education a profitable enterprise, and run it as one. This would not address the concerns of making the quality of output of Indian varsities at par with China or the USA, unless strict regulatory measures are adopted. Autonomous Colleges, Deemed Universities, and the soon to be introduced Foreign University collaborative partnerships must not escape the caution of exercising due diligence, although they most certainly will. More fancy programmes will be introduced to keep up with the changes, and more dilution will take place to keep up the demand. Eventually, this would cause the country to be cast off the precipice akin to what deregulation in the US Financial Sector resulted in over three decades culminating in the Stock Market collapse of 2008. But how can the country bail out the victims of this crisis? Who are the real victims? Is it the student? Or the Institutions? Or the Industry who will be swamped with poor quality manpower and managers for years? Or the public funds as a whole whose money is gambled like that in a casino?

What about the media outlets? The immense selling powers of media over different mediums such as print, television, DTH, internet, social networking and mobile have made their influence omnipotent. Advances in the development of social networking algorithms, predictive analytics and targeted

advertising in the wake of advances in technology will make them omniscient in their character, being able to sense and detect what their target user is thinking or planning to do even before he or she does it. With media now firmly concentrated in the hands of 3 conglomerates in India, their control over the consumption of the public is almost complete. One can only predict more collaborative partnerships between the Educational Businesses and Media in the coming days, given its growth and advertising potential, and the systems constituted in the past, though dubious, are likely to prevail. The body blow dealt to the former HRD Minister's efforts through concerted reports and malicious targeting has succeeded, and the taming of the new HRD Minister in light of the victory would only serve to increase their zeal for profit and commercial viability. The Media's honeymoon with Major Private Medical Healthcare in recent days is another clearly unmistakable sign given the undue amount of coverage that several tell-tale organ donation incidents have received in the recent months. Private Healthcare is the next big business opportunity, and the media is already tangoing with it. Governments will come and go, but business is business.

3. CONCLUSIONS

What about the aspiring student or the ambitious parent who want to put their kids into the best institutions? Where do their interests lie in this landscape? When bombarded almost daily with duplicity and rarely confronted, it reinforces the message among the consumers and the advertisers alike that dishonesty is a problem only when it is discovered. The cheat is like any other person as long as he doesn't get caught. The student in the end must navigate through the labyrinth of the educational system, where one can get lost or worse still, chance upon the beast. Through educated choices, cautious and prudent planning, the student must make informed decisions with the information available to him or her, whilst taking care not to be enticed. Ultimately the students are their own masters.

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