

Growing private providers and constraints in the choice of higher education institutions: Impact on access to higher education

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ABSTRACT

The choice by students in higher education has assumed importance due to the forced intrusion of neo-liberal principles. In a market economy consumers are sovereign and thus, students should have freedom to choose their life path (the courses and institutes). But, financial constraints hinder them to get that liberty. In a pro-market economy, the proliferation of private higher education institutions to meet the growing demand for higher education and their higher fee structures put an impact on access by the underprivileged. They end up with higher education institutions not of their choice.

Keywords: HE, G/NT, T/P, access, choice etc.

When the society is classified into different classes of people, the socially and economically backward classes are not getting the opportunity to reap the benefits of higher education, as the expansion is driven by an increasing participation of the private sector, as it is argued. Due to financial scarcity the potential individuals from the underprivileged social classes are deprived of accessing HE. Though, some students somehow manage to enter higher studies but they fail to access those high cost professional and technical courses that can fetch them job and hence, social status. The inequality situation in the access to HE, as observed from the secondary data and sample observations, due to various social, economic, cultural, geographical and political factors along with the changing dimensions of HE (the growing importance given to HE in recent past), bring out many changes and distortions (due to privatisation of HE) in the choices of students and their parents or relatives regarding HE. The financial constraint is found to be the major constraint in such choices that ultimately limit the access to HE by the weaker sections of population. This study seeks to

probe the question empirically based on a sample survey conducted in the State of Odisha, one of the poorest Indian States.

Research Strategy

The major objective of the study is to find out the impact of privatisation and therefore the effects on the choice of institutions due to rising fee structure.

Study area and Methodology

Both primary and secondary data sources are used. Stratified random Sampling method is used for the collection of data. One urban and one rural region of one of the poorest Indian States (i.e., Odisha) are chosen as the study area. Total 310 sample observations collected from two general or non-technical (G/NT) institutes and two technical or professional (T/P) institutes selected randomly for the purpose of this study. The multinomial logistic (ML) regression method is used for testing of hypotheses related to categorical variables such as, choice of courses and institutes.

Background

The concern for access to higher education (HE) as expressed in the literature (Nelson 1982; Mingat and Tan 1985; Tresch 1995 and others) is justified because access can be considered as a major instrument that can foster social, occupational and economic mobility, particularly to the weaker sections in the society (CABE Committee Report 2005). Further, it is HE which makes conducive environment for the creation of knowledge and its dissemination (National Knowledge Commission 2006). For this, the Eleventh Five Year Plan (EFYP) has envisaged three basic objectives of expansion, inclusion and excellence in the provision of HE (Planning Commission 2007).

Lack of finance (in terms of low parental income) is generally considered in literature to be a major constraint in the path of access to HE (McPherson and Schapiro 2006; Schneider *et. al.* 1996; Shiner and Modood 2002 and others). Access to one's desired course or institute is argued to be the real improvement in access to HE as it increases employability and enhance social mobility of the student concerned (Kane 1992) and have substantial consequences for the economic and social well being of the student concerned as well as the society in general over a period of time because educational choices are not simple consumption choices rather investment choices (Marshall and Peters 1999). Besides, the decisions and preferences of the individuals in a pro-market economy are given greater importance. In such an economy, the students need to have the freedom in their career decisions (Kane 1992). Choice once made in case of education are difficult to withdraw, as it determines the future career path of the student and the future occupation, income level, social status, etc., of the student are all based upon the initial career decision of the student or their parents (on behalf of the student). Thus, Hogan (1999) and others consider such investments in education as sunk cost that are difficult to get back. But, such choices in education are dependent on the available opportunities and constraints that the individuals find them in their surroundings (Levin 2009; Hogan 1999). Callender and Jackson (2008) have identified the financial and informational constraints as the two major constraints that affect the prospective students' choice of courses and institutes which also

distort their choices. Ball has identified in Reay *et. al.* (2009), the comparison and commoditization as the two important factors that have influence on the provision of information meant for the consumers in the education market.

Various other factors are identified in the literature those have an impact on choice of institutes. The choice of courses and institutes in the literature is found to be a function of factors such as, native place (Lankford and Wyckoff 1992; Reay *et. al.* 2009), schooling (Noell 1982; Long and Toma 1998), parents education (Pugsley 1998; David *et. al.* 1994; Brooks 2004; Ball and Vincent 1998), occupation and number of dependants in the family (Yang and Kayaardi 2004), educational cost associated with the course or institute (Knowles, 2000; Callender and Jackson 2008), future expected salary or placement (Moogan *et. al.* 1999) provided by the institutes and other social and cultural capital inherited by the student from his/her family (Reay *et. al.* 2001, 2009). Though, the students in many instances take their own decisions but indirectly they are influenced by the culture, traditions and the education inculcated to them by their parents or family or schools. Their choice of courses and institutes and professions are very much influenced by such cultural capital inherited by them (Reay *et. al.* 2009). But, before making any decision or choosing any course if the student or his/her parents or relatives possess certain market attributes or skills, capital or few other capacities valued and rewarded by the market are placed in an advantageous position than the others (Hogan 1999). All such factors are very much associated with the major factor, i.e. parental income.

In Indian context financial constraint is observed to be the major constraint before the students in their choices for higher studies. Despite the growing imbalance in terms of region, course, institutes, etc. as observed from the secondary data, there are growing numbers of private providers (Agarwal 2009). The fees charged by many government colleges or institutes those who run self financing courses (termed as "privatisation of public institutes" by Agarwal 2009) are nearly equal to the course fee in private institutes. In case of the universities, an increment in fees to meet 20% of the total expenditure of the universities is recommended and for the needy students a fee waiver and scholarship scheme is suggested by the NKC (2006).

The maximization of profit is the major motive for the private institutions who consider HE as a private good though profit making in education is not permissible. As pointed out by Bok (2003), while there is a competition among the universities for “prestige maximization”, Marginson (2004) argue for competition among the students for status called as “status competition” to enter a reputed institute and gain higher social status. But, under such circumstances, those consumers who are deprived of resources valued by the market fail to compete for status and ultimately they are left out from the access to HE (Hogan 1999). Thus, under such market competitions, the major objective of equity with an equitable distribution of resources is not fulfilled (Chattopadhyay 2009). It is the well-off sections of the society (the upper class people) both from rural and urban areas who are able to access HE (Sinha and Srivastava 2008). In fact, the enrollments in HE are found to be directly associated with the ratio of urban population and the percentage of population living below the poverty line (Anandakrishnan 2004) and the government expenditure on HE and per capita income (Agarwal 2009) of the States concerned.

This financial constraint distorts the choice of courses and institutes in HE. Since the job prospect of the professional courses is much higher to the general courses, students with ability to pay end up with courses and institutes of their choice and excel in the job market. The operation of market forces and the preference for parental choice would put a setback to the non-technical courses (Chattopadhyay 2009). It is in this context, the government subsidization of HE is argued to improve access to desired courses and institutes by the low and middle income students (Creedy 2005).

Empirical findings

The inequality situation in the access to HE, as observed from the estimations of the secondary data (NSSO 2007-08) and sample observations, due to various social, economic, cultural, geographical and political factors along with the changing dimensions of HE (the growing importance given to HE in recent past), bring out many changes and distortions (due to privatisation of HE) in the choices of students and their parents or relatives regarding HE. The financial constraint is found to be the major constraint in such

choices that ultimately limit the access to HE by the weaker sections of population.

Research Hypothesis

The choice of institutes is taken as a function of a number of variables such as native place and schooling of the student, parental income, education and occupation, number of dependants in the family, educational career of the student, reputation and ranking of the institute concerned, the expected salary, the course chosen for higher studies and monthly educational costs of education. The dependent variable that is the choice of institutes has been categorised as, course offered in the institute, personal choice or proximity or hostel or other facilities, interests of parents or family members, reputation or ranking of the institute and no other option.

Choice of institutes by G/NT institute students

The quality of the course offered in the concerned G/NT institute (in terms of faculties or study materials) matters for the students from urban or semi-urban areas. But, for the students from rural areas, the availability of the hostel accommodation, mess facilities, transport facilities, etc., are given prior importance unlike their counterparts as they are generally from low income families and cannot afford residing in private room or traveling regularly despite giving importance to the quality of the course offered in the G/NT institutes.

The native places of the students have an impact on the choice of institutes by them.

Institute (1, 2) = F_1 (Intercept, Inc, Nat)

The Model 1 in Table 1 below shows the ML regression result of the dependent variable, the choice of institutes which is found to be a function of the parental monthly income and native place. According to the coefficient for the native place the choice of institutes by the urban or semi-urban area students compared to the rural area students is likely to be higher by 1.88 due to the course offered in the institute rather than the personal choice of the student. It indicates that the students from urban or semi-urban areas (majority of them being from high income or middle income families) go by the

Table 1. Determinants of the Choice of Institutes by G/NT Institute Students

Dependent: Choice of Institutes is Course Offered/Personal					
Model 1			Model 2		
ML Regression Analysis	Coefficient	Exp(B)	ML Regression Analysis	Coefficient	Exp(B)
Course offered good					
Intercept (ref: rural=2)	-0.25		Intercept (ref: 80-90%)	-0.07	
Inc	-0.00001547	1	Inc	-0.00001541*	1
Region (urban/semi-urban=1)	0.63*	1.889	Mmarks (<50%)	1.01	2.76
N.A.			Mmarks (50%-60%)	0.91	2.48
N.A.			Mmarks (60%-70%)	-0.44	0.64
N.A.			Mmarks (70%-80%)	0.31	1.37
Pseudo R-square	0.04		Pseudo R-square	0.09	
Log Likelihood (final intercept)	105.84		Log Likelihood (final intercept)	115.51	
Chi-square (final)	6.58**		Chi-square (final)	13.007**	
Chi-square (Inc)	4.73**		Chi-square (Inc)	5.25**	
Chi-square (region)	3.34*		Chi-square (Mmarks)	8.44*	
Number of observations	144		Number of observations	138	

Notes: *** Highly significant, ** significant at 5% or better, * significant at 5 to 10%, N.A. means not applicable

quality of the course offered in any institute because of the quality faculties or teaching methods available for the course in that particular institute concerned. They, simply ignore the other difficulties associated with the institute such as lack of infrastructure, the distance (or proximity) of the institute, traveling facilities, etc., for the sake of the quality of the course offered in that particular institute.

On the contrary, it could be derived from the above interpretation that, the rural area students usually look for the infrastructural facilities (availability of hostels, mess, etc.), transport facilities, proximity, etc., before choosing any institute for higher studies. Since, such students hail from rural areas they search for the facilities available in any institute to be opted for higher studies for their convenience. The course offered in that institute though matters but it becomes the second priority for them.

The mark secured by the students in their matriculation examinations along with parental monthly income is also found to be a function of the choice of institutes.

Institute (1, 2) = F_2 (Intercept, Inc, Mmarks)

In the Model 2 given in Table 1 above, the choice of institutes is found to be a function of the parental monthly income of the students of the G/NT institutes. The parental monthly income is likely to be less by 1 (the value of odds ratio) in choosing the G/NT institute according to the kind of course offered in the institute compared to choosing it according to the personal choice of the student. It indicates that, all those parents who can afford to send their children to those institutes with better infrastructure facilities do so considering their own affordability. Monthly expenses matters for them. Thus, despite of the quality of the course, they choose the low cost institutes looking at the personal choice of the student for certain G/NT institutes. Thus, parental monthly income goes with the personal choice of the student, the proximity, other infrastructure facilities of the institute, the transport facilities, etc.

Choice of institutes by the T/P institute students

The dependent variable, choice of T/P institutes is found to be a function of the number of dependants in the family, the gender and the course chosen.

Institute (1, 2, 3) = F_3 (Intercept, Dep, Gen, Course)

Table 2. Determinants of the Choice of Institutes by T/P Institute Students

Dependent: Choice of Institutes is Personal/Rank/Interest of Parents or Family/No Option		
ML Regression Analysis	Coefficient	Exp(B)
Personal		
Intercept (ref: male, no option)	-1.54	
Dependant	0.03	1.03
Gender (Female= 0)	2.02*	7.60
Course choice (personal= 1)	1.97**	7.17
Course choice (parents/family interest= 2)	0.91	2.49
Reputation/ranking		
Intercept	-2.72**	
Dependant	0.16	1.18
Gender (Female= 0)	2.05*	7.79
Course choice (personal= 1)	3.16**	23.6
Course choice (parents/family interest= 2)	3.10**	22.31
Interest of parents/family		
Intercept	-1.69	
Dependant	-0.34	0.70
Gender (Female= 0)	3.003**	20.14
Course choice (personal= 1)	1.86	6.46
Course choice (parents/family interest= 2)	4.39**	80.93
Pseudo R-square	0.36	
Log Likelihood (final intercept)	138.22	
Chi-square (final)	67.52***	
Chi-square (dependants)	5.46	
Chi-square (gender)	9.92**	
Chi-square (course)	49.15***	
Number of observations	150	

Notes: ***Highly significant, **significant at 5% or better, *significant at 5 to 10%.

It is found from the above model that the choice of T/P institutes by the girl students compared to the boys is personal or according to the interests of their parents or family members rather than the choice of institutes without any other options in hand. The girls’ decisive power in choice of institutes for T/P education is reflected and independency of the boys is also quite clear as when they have no other options in hand they even do not bother about the reputation or ranking of the T/P institute to take admission to continue their career.

It is also found that, if the choice of T/P courses is personal then, there is the possibility that the choice of the T/P institute is also personal and the higher possibility of choosing the institute according to its reputation or ranking rather than without any other option. The facilities and benefits associated with the T/P institute due to its reputation or ranking is always given greater importance than any other factors.

Similarly, the T/P courses opted for by the students according to the interests of their parents or other family members also increase the higher possibility of choosing the T/P institute too according to the interests of the parents or other family members. The decisions of parents regarding the courses of studies for their children also decide the educational institute where the concerned student has to take admission. The highly educated and thus, well informed parents of the T/P institute students generally guide them in selecting the course of study as well as the concerned institute to continue their higher studies.

The increase in the number of dependants in the family (particularly, low income family) limits the ability of the students to exercise choice for the institute despite the reputation or ranking of the institute due to their higher educational costs. With the growing number of private institutions offering T/P courses those who charge higher fees in the name of quality infrastructure, quality faculties and other facilities associated with them are inaccessible by the weaker section of population. It is found that the high cost institutes are avoided by the students and they opt for the other options available despite of the availability of educational loan.

All the other variables as mentioned in Hypothesis were found to provide very insignificant contribution towards the fitting of the models and if included, weakened the overall fit of the model.

Therefore, the distortion in the choice of courses and institutes is apparent that hinder the access to HE when a student from low income family after qualifying in the entrance test fails to pursue T/P courses due to lack of finance. S/he becomes incapable to opt for the desired T/P courses due to her/his failure to get finance from parental side or from relatives or from any other sources (like bank loans). It is observed that the boys generally have more distortions in

their choices due to lack of finance, as they belong to the middle or low income families compared to girls who are observed to basically belong to the high income or middle income families.

Conclusion

For inclusive growth and social mobility the access to higher education by the underprivileged is very crucial. For knowledge creation and its dissemination the role of higher education is paramount. But, with the rapid privatization basically in T/P courses access is likely to be seriously compromised. The choice of institute is quite important in higher education as it determines the life path, employability as well as earning of an individual. The girls in comparison to boys are more decisive while choosing the institute of their choice. The reputation or ranking of the institutes are given greater value by the boys while choosing the T/P institutes for higher studies as it decides its placements. Further, the interests of parents and other family members are valued by the girl students than the boys. The well informed boys are found to be quite independent in their career decisions. The increase in the number of dependants in the family (particularly low income family) forces the students in T/P education to choose the low cost T/P institute despite the educational loan facilities available for their studies. The risk factor always obstructs the students from low income families with large number of dependants to opt for high cost T/P institutes. It signifies the task before the policy makers to tackle the issues of access to quality higher education that can improve the employability of the student from low income families.

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