

**GOVERNMENT OF INDIA
HUMAN RESOURCE DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:4114

ANSWERED ON:05.09.2012

PRIVATE SECTOR IN EDUCATION

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Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:

- (a) whether any study has been made on the likely impact of allowing the private sector in education;
- (b) if so, the outcome thereof and has it affected the education of common man by making it beyond their reach;
- (c) if so, the reaction of the Government thereto; and
- (d) the corrective steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT (DR. D. PURANDESWARI)

(a): No such recent study has been undertaken by the Government. However, one such study was conducted in 2011 by the World Bank, the details of which are available at http://siteresources.worldbank.org/EDUCATION/Resources/PPP_impact_evaluation_report.pdf.

(b) to (d) : The report of World Bank has not provided any such definitive conclusions and validity of the findings in Indian context is not established. While the cost of education is growing due to impact of inflation and growing cost of infrastructure, the Government has initiated several measures to curb commercialization of education and to bring it within the reach of the common man. Right of Children to Free and Compulsory Education (RTE) Act, 2009 clearly prohibits collection of any capitation fee and also mandates each private school to reserve 25% of seats for children belonging to disadvantaged categories. The Central Government is implementing a Scheme to provide interest subsidy for the period of moratorium on Education Loans taken by students from Economically Weaker Sections from scheduled banks under the Educational Loan Scheme of the Indian Banks' Association to pursue Technical/Professional education studies in India.

In PA Inamdar & Others Vs State of Maharashtra & Others (2005), the Hon'ble Supreme Court has held that every institution is free to devise its own fee structure but the same can be regulated by a Central/State Government Legislation in the interest of preventing profiteering. According to AICTE, the education has been considered as non profiteering activity and the tuition fee to be charged by Self-financed colleges for particular technical programmes is fixed by State Level Fee Committee constituted by the respective State Governments as per the direction of Hon'ble Supreme Court.