



The Commercialization of Higher Education: A Comparative Analysis of India, UK, USA, and China

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Abstract: The commercialization of higher education, driven by neoliberal policies, has transformed universities into market-driven entities, prioritizing revenue over public good. In India, private institutions dominate enrollment, contributing to significant commercialization. This article compares the extent and impact of commercialization in India with the UK, USA, and China, drawing on policy shifts, statistical data, and academic literature. While commercialization has expanded access, it raises concerns about equity, quality, and the erosion of educational values. The findings suggest that, despite regional variations, the global trend towards privatization threatens the traditional mission of higher education, necessitating balanced policy interventions.

Keywords: Commercialization, Higher Education, India, China, UK, USA

Introduction

Higher education globally has undergone significant commercialization, characterized by the adoption of market-driven models, increased tuition fees, the rise of private institutions, neglect of Public Funded Higher Education Institutions (PFHEIs) in terms of staff vacancies/contractualization of staff, inadequate facilities, and reduced budgetary allocations. In India, neoliberal policies since the 1990s have led to substantial commercialization, with private institutions accounting for a growing share of enrollment (All India Survey on Higher Education [AISHE], 2021-22). Similar trends are visible in the UK, USA, and China, where reduced public funding and market pressures have reshaped higher education. This article examines the extent, drivers, and impacts of commercialization in these regions, comparing them to India's experience. It addresses the question: How does the commercialization of higher education in India compare to that in the UK, USA, and China, and what are the implications for expansion, equity, and quality?

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Methodology

This study employs a comparative analysis based on secondary data from academic literature, policy documents, and statistical reports, including AISHE (2021-22), National Assessment and Accreditation Council (NAAC) data, and international sources. The analysis focuses on policy shifts, enrollment trends, and quality indicators, with citations ensuring traceability to credible sources. The scope includes India, the UK, USA, and China, with a focus on neoliberal influences and their impact on expansion, access, quality, and educational values.

COMMERCIALIZATION IN INDIA

Policy Shifts and Neoliberal Influence

India's higher education system, historically guided by constitutional values of welfare, democracy, and equality, shifted towards neoliberalism post-1991, aligning with global economic reforms (Harvey, 2005). The National Policy on Education (NPE) of 1986 marked the beginning of this shift, emphasizing education as an investment for economic development and encouraging resource generation (MHRD, 1986). The 1992 Programme of Action (POA) further promoted self-reliance through fee hikes and donations (MHRD, 1992). Subsequent committees, such as the Punnayya Committee (1992-93) and Swaminathan Committee (1994), recommended universities recover 15-25% of recurring expenditure through fees and reduce permanent faculty (Varghese, 2000; UGC, 1993). The Birla-Ambani Report (2000) and National Knowledge Commission (2005) prioritized market-oriented education, favoring privatization over equity (Birla & Ambani, 2000; NKC, 2005).

Extent of Commercialization

India's higher education system has undergone significant expansion, with the number of universities increasing from 190 in 1990-91 to 1,213 in 2024, and colleges growing substantially over the same period (PIB, 2025). The role of private institutions has been pivotal in this growth, with private unaided colleges constituting approximately 65% of total colleges by 2021-22. According to AISHE (2021-22), private institutions (unaided) account for about 35% of total enrollment, while government institutions contribute around 30%, and government-aided (semi-private) around 35%, highlighting a hybrid model but with growing private dominance.

The Gross Enrollment Ratio (GER) in higher education has seen steady growth, rising from 8.1% in 2000-01 to 33% in 2023 (World Bank, 2024). This increase reflects substantial expansion. However, India's GER



remains lower than that of other major economies, such as the USA (79%), UK (80%), and China (60.2%) as of 2023 estimates. The National Education Policy (NEP) 2020 aims to address this gap by targeting a GER of 50% by 2035, necessitating significant infrastructure and policy interventions.

The rapid growth of private institutions points to increasing commercialization, driven by demand for higher education and limited public funding. However, this trend raises concerns about quality, affordability, and equitable access, particularly for marginalized groups, as private institutions often prioritize profit over inclusivity.

IMPACTS

Quality Issues

As of June 2023, only 820 universities and 15,501 colleges in India were accredited by the National Assessment and Accreditation Council (NAAC), representing approximately 78% of universities and 37% of colleges listed in AISHE (2023). Among these, a small fraction—around 20% of accredited universities and 5% of accredited colleges—achieve an ‘A’ grade or higher (A++, A+, or A), indicating significant gaps in maintaining high educational standards across institutions. Private institutions, particularly in fields like engineering and management, frequently lack NAAC accreditation, exacerbating concerns about graduate employability. Recent studies suggest that around 50-55% of engineering and management graduates remain unemployable due to inadequate skills and poor institutional quality (Statista, 2025). Reports of corruption in NAAC’s accreditation process, with over 900 evaluators (about 20%) dismissed for malpractice as of February 2025, further undermine trust in the system (Hindustan Times, 2025; Times of India, 2025).

Equity Issues

High tuition fees and coaching costs continue to restrict access to quality higher education for lower-income students. Annual tuition fees at private institutions often range from ₹2-5 lakh, while coaching for competitive exams like JEE and NEET can cost ₹1.5-3 lakh per year, creating significant barriers for marginalized groups (The Hindu, 2024). Private coaching institutes dominate access to elite institutions, with 70% of students at top engineering and medical colleges relying on such centers (Economic Times, 2023). Fee reimbursement schemes, intended to improve access, have inadvertently fueled the proliferation of private colleges, diverting public funds to institutions of questionable quality (Tilak, 2020). The GER in higher education shows gender parity at around 33% overall, but lower rates for Scheduled Castes (around



25%) and Scheduled Tribes (around 18%), highlighting persistent inequities across social groups and regions (World Bank, 2024).

Cultural and Social Impacts

The prioritization of market-driven disciplines such as engineering and management has sidelined social sciences and humanities, limiting the development of critical thinking and holistic education essential for societal progress (Nanda, 2022). This focus contributes to a narrow educational framework that undervalues cultural and ethical perspectives. Additionally, the intense pressure of competitive exams and academic expectations has led to alarming levels of student stress, particularly in coaching hubs like Kota, where 26 student suicides were reported in 2023 and 17 in 2024 (The Hindu, 2024; Hindustan Times, 2025). The psychological toll is compounded by societal expectations and the lack of adequate mental health support in educational institutions, raising concerns about the sustainability of India's high-stakes academic culture.

Commercialization in the UK

Neoliberalism became dominant in UK policy starting in the late 1970s and 1980s with the Thatcher government. The Education Reform Act (1988) set the trajectory for a quasi-market system where higher education institutions compete for students and resources. The introduction and continual escalation of tuition fees transferred the cost burden to individuals, making degree attainment a personal financial venture repayable over decades in England (though Scotland differs). Universities compete by branding employability, competitive advantage, and entrepreneurship. Lower-ranked institutions stress career readiness for prospective employees, while elite institutions (like the Russell Group) highlight entrepreneurial potential and leadership. The UK has seen a decline in direct state subsidy and growing dependence on student fees, with performance-based funding rewarding competitiveness.

Consequent to these neoliberal policies, about 813 private higher education providers existed in 2017, but only 115 have access to public loan funding (Hunt & Boliver, 2019). Though the private sector has an enrollment of less than 10% of the total 2.9 million students (2023/24) (HESA, 2025), they offer innovative, flexible programs. However, they suffer from inconsistent quality due to minimal regulation. Only a minority undergo Quality Assurance Agency (QAA) reviews, raising concerns about standards (Hunt & Boliver, 2019). They also enhance access for non-traditional students but higher fees limit affordability, potentially excluding lower-income groups (Hunt & Boliver, 2019).



Commercialization in the USA

The neoliberal turn began earlier in the US, gaining strength with Reaganomics in the 1980s and continuing through subsequent administrations, regardless of party. State and federal funding have been steadily reduced. Universities compensate by raising tuition, seeking private donations, and intensifying the admission of fee-paying students, often international students. As a result, the US student loan system entrenches debt and magnifies inequalities, as access to resources largely determines access to top institutions and social mobility.

Under the neoliberal policy regime, universities operate increasingly like businesses, led by administrators more than academics, prioritizing marketable programs and external partnerships while relying on adjunct (casual) labor. The system perpetuates hierarchies between elite, well-endowed universities and less privileged institutions, mirroring broader socio-economic divides.

As a result of these neoliberal policies, about 68% of postsecondary institutions (2023-24) are private (nonprofit and for-profit), enrolling around 27% of the 19.3 million undergraduate students (NCES, 2024). Commercialization is driven by for-profit colleges through high tuition fees and increasing reliance on student loans and corporate partnerships (Statista, 2025). Elite private nonprofits (e.g., Ivy League) deliver high-quality education with strong resources and graduate outcomes (QS World University Rankings, 2024). For-profits offer flexible, market-driven programs but have low graduation rates, high debt, and poor quality, with closures like Corinthian Colleges exposing weaknesses. Inconsistent oversight leads to variable standards. For-profits expand access for non-traditional and minority students (16% of undergraduates aged 30+) (Best Colleges, 2025). Some nonprofits serve underrepresented groups effectively but high tuition and loan dependence exacerbate debt, especially for low-income and minority students. For-profits' poor outcomes disproportionately harm disadvantaged groups.

Commercialization in China

Since the 1990s, China's reforms have included privatization elements but always under strong central government control. Policies allowed the entry of private (Minban) colleges and encouraged market forces without ceding overarching authority. Previously free, higher education now increasingly requires tuition; families shoulder more costs. Market logic has spurred growth, diversified providers, and fostered competition, but also increased inequalities and access issues, especially for rural and disadvantaged groups.



Neoliberal ideas manifest in initiatives like transnational education partnerships, competition for global rankings, and an emphasis on efficiency and resource allocation. However, the government directs and limits the extent of these trends, ensuring alignment with national priorities. Neoliberal reforms are tempered by policies to balance efficiency with stability and social cohesion, making the "neoliberalization" of Chinese higher education distinct from the Anglo-American model.

Since the 1980s, China has expanded private higher education to address growing demand. By 2024, China had over 3,000 higher education institutions, with private (minban) colleges enrolling about 25% of the 48.5 million students (MOE, 2024). The 1985 shift from tax-funded education to merit-based scholarships and the 1999–2012 expansion increased enrollment dramatically, with private institutions, including independent colleges, playing a significant role (Li & Yang, 2014). Private institutions rely on tuition fees and private investment, with limited state subsidies like low-cost property leases (Wang & Vallance, 2015). Legislation in 2016 mandated for-profit or not-for-profit registration, but implementation lags (Pan & Wu, 2019). Privatization expanded access, easing state financial burdens and enabling research growth (China surpassed U.S. scientific publications by 2017) (Marginson, 2018). Private colleges foster competition and align curricula with market needs (Zha, 2016).

However, quality varies, with many private institutions seen as inferior, requiring additional graduate training (Li & Yang, 2014). High tuition fees deepen inequality, favoring affluent students and widening regional disparities (Mok & Wu, 2018). Regulatory gaps enable profit-driven practices, and rapid expansion has strained resources (Pan & Wu, 2019). Increased ideological control under Xi Jinping limits academic freedom (Hao & Zabielskis, 2020).

Comparative Analysis of Private Enrolment in Higher Education

Region	% Private Enrollment	Key Indicators	Comparison to India
India	~35% (unaided private, 2021-22)	- 65% of colleges private - GER: 33% - High unemployability: 50-55%	Baseline: High private dominance in institutions but hybrid funding model
UK	<10% (2023/24)	- Tuition fees: ~£9,250 - ~30% loans unrepaid - GER: 80%	Lower private share but higher commercialization via tuition reliance and competition
USA	~27% (2023-24)	- >50% students with debt - GER: 79% - For-profits: ~5% of enrollment but high closures	Similar private share to India but greater debt burden and institutional hierarchies
China	~25% (2024)	- Self-funded model - GER: 60.2% - State control tempers privatization	Comparable private share but more regulated, with less equity issues than India



India's ~35% private enrollment exceeds the UK's (<10%) but is comparable to the USA (27%) and China (25%). However, commercialization in the UK and USA is amplified by high tuition dependence and debt, while China's is moderated by state oversight. Common impacts include reduced access for the poor, declining quality, and a shift from holistic education to market-driven skills. India's coaching culture and student suicides highlight unique pressures, while the UK and USA face similar debt issues. China's conflict with traditional values parallels India's neglect of social sciences.

Discussion

The commercialization of higher education reflects neoliberal policies prioritizing economic efficiency over public good. In India, the rapid growth of private institutions has expanded access but compromised quality and equity, with only a small fraction of institutions achieving high NAAC grades (NAAC, 2023). The UK's high tuition fees and the USA's debt crisis mirror India's financial barriers, while China's shift from Confucian ideals to market-driven education parallels India's cultural erosion. The controversy lies in whether commercialization is a necessary response to global competition or a betrayal of education's societal role (Sadgopal, 2014). Solutions include strengthening public institutions, regulating private colleges, and leveraging technology for equitable access (NEP, 2020).

Conclusion

The commercialization of higher education in India, with ~35% private enrollment, varies in extent compared to the UK (<10%), USA (~27%), and China (~25%), driven by neoliberal policies and funding cuts. While access has expanded, quality and equity suffer, with India facing unique challenges like coaching culture and unemployable graduates. Globally, the shift towards market-driven education threatens academic values, necessitating policies that balance economic needs with education's public mission. The National Education Policy (2020) rightly emphasizes public education as the foundation of a democratic society, urging a reevaluation of commercialization's impact.

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