

## **Impact Analysis of Higher Education Institutes in Rural Development: A Case Study of BGSB, University Rajouri (J&K)**

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### **ABSTRACT**

*Colleges and Universities are assets to their regional economies, especially because they spend money in their vicinity and provide employment opportunities to local population or we can call it positive externalities. These institutions also play an important role in their local economies by helping regions build their skilled labour force. There is an indirect effect of technology transfer on local economic development: firms may locate in the region to take advantage of new, economically useful ideas generated at universities. Universities affect local housing markets in a unique way through student for rental accommodation. In this research Paper, an attempt has been made to analyze the impact of higher education institutes in rural development, with special focus on Baba Ghulam Shah Badshah University Rajouri. The study will be helpful in bringing the economic impacts of geographically backward Baba Ghulam Shah Badshah University Rajouri on the surrounding communities , as yet no such kind of a study have been undertaken in the particular area. This study will particularly clarify how the rural university affects surrounding community economically. This study once done, will serve as a guide for other researchers to undertake studies which will bring the other effects of said university. This study has found that there has been positive economic impact of Baba Ghulam Shah Badshah University on its surrounding communities after its establishment, but other things like opening up of shopping malls, coffee shops, enlarging the market as a whole should be done. It's a need of hour for the state government and the university administration to take proper care and action about the upliftment of the locality.*

**Keywords:** Baba Ghulam Shah Badshah University, Development, locality, Impact.

### **INTRODUCTION:**

Colleges and Universities are assets to their regional economies, especially because they spend money in their vicinity and provide employment to local population. These institutions also play an important role in their local economies by helping regions build their skilled labour force. This contribution is significant because regions with higher levels of human capital- measured by the share of working-age population with at least bachelor's degree tend to be more innovative, having greater amounts of economic activity, and enjoy faster economic growth, and workers in these regions tend to be more productive and earn higher wages. Universities play an important role in raising demand for high skilled workers through their research and development activities that have spillover effects into the local economy. Businesses can take advantage of university knowledge and research facilities to develop new products and technologies, and new companies may be drawn to the region because they want access to university resources. The effects of rural universities are vital to their locations to diversity and stabilize regional economies. Universities tend to attract revenue from outside the immediate area through tuition, endowment income or state tax allocations and to attract significant human capital – students and employees from a national market, which can contribute to the area's economic growth.

Rural universities have a positive impact on the local schooling systems, communities and income of people where the university is situated. Rural towns usually have higher levels of poverty than cities. In most circumstances poverty results in lower levels of education, higher crime rates and unemployment. To many youth, attending colleges is not an option for numerous reasons including, the cost of attending, distance to attend school and unfamiliarity with higher education. When a rural university is located in a small town, the institution gives hope and dreams of attending college to people that would not normally consider higher education. Individuals without advanced education or a specialized skill are much more of disadvantage now than they have been in the past. When college is not a foreign topic students will find it to be something that they can accomplish. Many grade schools take students on tours throughout their education. With a rural university being located nearby it is much easier to expose students to college from an early age. Students have had the opportunity to tour the college, speak with advisors and counsellors, and they feel less overwhelmed by the commitment to attend college. There is lot of advantages to a community that has a university located in close proximity.

There is an indirect effect of technology transfer on local economic development: firms may locate in the region to take advantage of new, economically useful ideas generated at universities. Technology transfer is any process by which basic understanding, information, and innovations move from a university to firms in the private sector (Parker and Zilberman, 1993). Technology may be transferred from the universities through different channels. Various channels of technology transfer are formal cooperation in R&D between academia and industry, university seminars, scholarly journal publications, faculty consulting, industrial associates programs, industrial parks, high technology firm spin-offs, technology licensing, the local labor market of scientists and engineers, and local professional associations of scientists.

The establishment of new projects or developments in any community exerts some influences on the locality where it is sited and the people amongst whom it is situated (Todd, 2007, Abram, 1966). The level and the degree of such influence however depend on the nature and magnitude of such a project. The effects of projects on the community where it is sited could either be positive or negative. For many higher education institutions regional engagement is becoming the crucible within which an appropriate response to overall trends in higher education is being forged. Responding to the new demands requires new kinds of resources and new forms of management that enable higher education institutions to make a dynamic contribution to the development process in the round. The challenge is to link within the institution the teaching, research and community service roles by internal mechanisms (e.g. funding, staff development, incentives and rewards, communications) and to engage the institution with all facets of the regional development process (e.g. skills enhancement, technological development and innovation, cultural awareness) in a region/higher education institution 'value added management' process in the 'learning region'

Universities affect local housing markets in a unique way through student for rental housing. Students are more frequently the continuous recipients of unmeasured income than are nonstudents. If your property is in a prime locality, it is sure to attract student renters because clearly it is not just proximity to colleges that a student looks for but supermarkets and popular hangouts including pubs, coffee shops, sports clubs etc. It is probable that students may not own a vehicle. So, a well placed apartment with the availability of good public transportation in the vicinity will be highly preferred. Many students agree to share rooms to keep their share of rent at a minimum. Rents in a university town tend to be higher since they can be pegged to room and board fees at the college. Evidence from several countries indicates that during the last two decades higher education students have gradually become a highly influential player in private rental sector (Rugg et al., 2002; Charbonneau et al., 2006).

## **LITERATURE REVIEW:**

With the rapid and enormous development of educational institutions, the localities of these institutions have also been affected more in a positive way than in a negative manner, and the impact of universities and colleges on their localities has been mapped by many researchers and academicians since ages. Researchers have discussed the role of universities and colleges on their localities in various perspectives like income level, education level, employment, life standard etc. Following are some of the notable works which have been reviewed for the current study:

Verga (1997) reveals that university knowledge effects economic growth of regions like Silicon Valley in California, Massachusetts and England's economic growth are transmitted via technology transfers: many high technology innovations were oriented in research findings at local universities and the expectation knowledge transfers from academic institutions has attracted a large number of new companies into these areas. Ohme (1999) stated that in 2003, the University of Delaware continued to provide an increased benefit to the economy of its surrounding community and the state of Delaware through the vast and far reaching effects of both direct

and indirect expenditures. Chatterton and Goddard (2000) investigated that higher education institutions have always contributed to the social and cultural development of the places in which they are located. Higher education institutions also play an important role in the formulation of regional actions plans and programmes. Rugg et al (2000) argued that student demand for property has effect of pushing down property quality generally, since students for a number of reasons are presumed to be tolerant of poor conditions. They found that in some areas, particularly those with a degree of property oversupply, students demand lead to increased quality as landlords competed to attract student tenants. Steinacker (2005) conducted a study, in which he found that universities are valuable contributors to a city's economy. They tend to attract revenue from outside the immediate area through tuition, endowment income and state tax allocations and to attract significant human capital, students and employees from a national market, which can contribute to the area's economic growth. Goldstein and Drucker (2006) in their paper suggest that the university activities of research, teaching, and technology development help to raise regional average annual earnings and that knowledge and other spillovers across regional boundaries are influential as well. The effects of universities the regions are found to be particularly important in small and medium sized MSAs, those containing fewer than 200,000 nonfarm jobs. Holbrook (2006) in his paper investigated that education has long term economic and social effects other than an increased cognitive ability. The clearest measure of the effectiveness of education is the increased wages that people earn after additional years of schooling, but education effects more than just the individual. Siegfried et.al (2006) examined that higher education institutions are valuable contributions to the economy as they create jobs, boost tax revenue and stimulate the local economy. Breznitz and Feldam (2010) in their study suggested that education of students, rather than community service programs or economic spillovers, have been the university activity with the highest "public service "impact by far. Mira and Sigal (2010) investigated on the basis of evidence from certain countries that during the last two decades higher education students have gradually become a highly influential player in the private rental sector (PRS). Femi et.al (2014) shows that short supply of rental housing and landlord's decisions are the two major factors that contribute to the increase in the house rental value with the proximity of the institution. Keller (2014) conducted a survey of over 600 education institutions in England revealed that the more students identified themselves as their university's customers, the less likely they were to identify as learners. Keller (2014) in his study examined that rural universities are very beneficial to community through involvement, a higher level of education, employment rates, etc. Rural universities also offer programs that are more flexible for working person which helps make college attainable. Kelly (2014) examined that universities commitment to partnership working with business, the public sector, third sector and schools is enabling the university as an organization to maximize its positive impact locally and further afield. NZIER report on New Zealand's universities highlights that university sector in New Zealand had domestic revenue of \$3.2 billion (excluding international student fees) and accounted for about 1 percent of GDP in 2014. Universities employed 20,000 full time equivalents (FTE), about 0.8 percent of the labour force.

### **OBJECTIVES OF THE STUDY:**

The study shall be carried out with the following specific objectives;

- To know the demographic profile of the inhabitants.
- To study the impact of University on the income generation of local people.
- To analyze the development of infrastructure after the establishment of the University.
- To give suggestions for further development of the surrounding localities.

### **SIGNIFICANCE OF STUDY:**

The study will be helpful in bringing the economic impacts of geographically backward Baba Ghulam Shah Badshah University Rajouri on the surrounding communities , as yet no such kind of a study have been undertaken in the particular area. This study will particularly clarify how the rural university affects surrounding community economically. This study once done, will serve as a guide for other researchers to undertake studies which will bring the other effects of said university

### **METHODOLOGY:**

This study is mainly based on primary data which has been collected through interview schedule containing 35 questions related to the objectives of the study. However some secondary sources have also been used, this includes research papers, articles, reports, surveys, etc. Some data has also been collected from the District Census Handbook Rajouri, Jammu and Kashmir 2011 regarding the village Dhanore Loharan on variables like

total number of households, population, literacy, employment/workers etc. This study is based on a village namely Dhanore which is in close proximity with Baba Ghulam Shah Badshah University. In this study, the data that is used is collected by the researchers through interview schedule, which is a method of collecting primary data. The sample size is selected on the basis of the total population of the village. The total number of households in the village is 179 and out of these, 35 households are chosen using random sampling technique. The selected sample comprises of about 20 % of total households of the selected village.

### **Higher Education in India: An Overview**

Higher education is an optional final stage of formal learning that occurs after completion of secondary education. Often delivered at universities, colleges, seminaries, conservatories and institute of technology, higher education is also available through certain college level institutions, including vocational schools, trade schools and other career colleges that award academic degrees or professional certifications. The right to access the higher education is mentioned in a number of international human rights instruments. India's higher education system is the third largest in the world, next to United States and China. The main governing body at the tertiary level is the University Grants Commission, which enforces its standards, advises and helps to coordinate and maintain the standards of the higher education institutes.

The University of Calcutta (informally known as Calcutta University or CU) is a university located in Kolkata (formerly Calcutta), West Bengal, India established on 24 January 1857. It was the first institution in Asia to be established as a multidisciplinary and secular Western-style University. University of Mumbai, Madras are also established in 1857. Aligarh Muslim University was established in 1875, all these universities are the oldest universities established in India. As of February 2017, there are 789 universities in India, out of which 290 are state public universities, 261 are private universities, 13 are state open universities and 23 are deemed universities. The state with most number of universities is Rajasthan having 76 universities, having the highest number of private universities, numbering 46. Tamil Nadu has 46 universities with most number of deemed universities 28, Uttar Pradesh has most number of state universities numbering 29.

The top ten universities India including information on each university's strength in the QS World University Rankings by subject and how they performed in the QS World Rankings are: 1) Indian Institute Of Technology Bombay (IITB), 2) Indian Institute of Science (IISC) Bangalore, 3) Indian Institute of Technology Delhi (IITD), 4) Indian Institute of Technology Madras (IITM), 5) Indian Institute of Technology Kanpur (IITK), 6) Indian Institute of Technology Kharagpur (IITKGP), 7) University of Delhi, 8) Indian Institute of Technology Roorkee, 9) Indian Institute of Technology Guwahati (IITG) and 10) University of Calcutta.

In Jammu and Kashmir, there are ten universities in the state, out of which Jammu province has 5 universities and Kashmir province has 5 universities. The universities in Jammu include Central University of Jammu, Cluster University of Jammu, Sher-e-Kashmir University of Agricultural Sciences and Technology of Jammu, Shri Mata Vaishno Devi University, university of Jammu and Baba Ghulam Shah Badshah University Rajouri. The universities in Kashmir province include Central University of Kashmir, Islamic University of Science and Technology, Sher-e-Kashmir University of Agriculture Science and Technology of Kashmir and University of Kashmir.

The Baba Ghulam Shah Badshah University is a state university in India which came into existence by the Act of Jammu and Kashmir Legislative Assembly in 2002. The University is named after Saint Baba Ghulam Shah Badshah. It focuses on Engineering courses, a diverse post graduate courses and research in fields such as Economics, Management, Biodiversity, Bio-technology, Computer Sciences, Information Technology, Urdu and Applied Mathematics. Professor Javed Mussarat is new vice chancellor of this university. Founded in 2002, Baba Ghulam Shah University is a non-profit public higher education institution located in the rural setting of the medium sized town of Rajouri, Jammu and Kashmir. Officially accredited and/or recognized by the University Grants Commission, India, Baba Ghulam Shah University (BGSBU) is a coeducational higher education institution. Among the Indian universities BGSBU ranks at 544 out of total 789 universities.

### **Demographic Profile of Village Dhanore Loharan:**

Dhan Loharian is a part of four villages under Dhanore in Rajouri district of India's northern state of Jammu and Kashmir. Dhanore Loharan is a medium size village located in Rajouri Tehsil of Rajouri district of Jammu and Kashmir with total 179 families residing in it. The Dhanore Loharan village has population of 1016 among which 541 are males while 475 are females as per Population Census 2011. Table below shows the demographic profile of village Dhan Loharian.

The following table shows the total number of households, population, literates, workers, main workers and marginal workers and the total number of males and females respectively.

**Table 1: Demographic Profile of Village Dhan Loharian (Census 2011)**

Total no of households	179	
Total Population	Persons	1016
	Male	541
	Female	475
Total Literates	Persons	688
	Male	413
	Female	275
Total Workers	Persons	330
	Male	207
	Female	123
Main workers	Persons	164
	Male	145
	Female	19
Marginal workers	Persons	166
	Male	62
	Female	104

In this table the total number of households means the number of households that have been taken as sample from the village Dhanore Loharan which is in close proximity with Baba Ghulam Shah Badshah University. Total population is the population of the 35 households of the village, including number of male and female population. Total literates mean the number of literate persons from the sample of 35 households, including male and female literates. Total workers are workers of the 35 sample chosen households that includes both main workers as well as marginal workers.

The table shows the total number of households including total population, population in the age group (0-6), total literates, total workers, total main workers and total marginal workers and the total number of males and females in these variables.

### **FINDINGS OF THE STUDY:**

Following are the findings of the study that have been collected via primary data through interview schedule.

- After the establishment of the university in the village Dhanore Loharan, out of sample of 35 households, 10 households are those who have rental houses and income from rent on the rooms is greater than two thousand.
- After the development of the university, out of sample of 35 households, 9 households have established their own shops, business and they yield a monthly income greater than five thousand from their shops.
- 21 households sell milk/butter, local chickens and their monthly income from this source is greater than fifteen hundred.
- Out of the 35 households 8 households have passenger vehicle. Out of these 8 households 3 have passenger vehicle (matador) and 5 households have passenger vehicle (Auto).
- Households who have passenger vehicle have a monthly income from this source greater than five thousand
- 4 out of 35 households have sold land after the establishment of university
- Land in the vicinity of the university has been sold at a rate ranging from 80000-100000 per Marla.
- Majority of the households have income greater than ten thousand that has been increased to this level only after the established of the university.

### **SUGGESTIONS:**

After conducting the whole study, the suggestions that can be made is that although there has been visible positive impact of Baba Ghulam Shah Badshah University on the locality but there can be more steps that can taken by the university for the overall development of the whole region especially the villages in close proximity with Baba Ghulam Shah Badshah University. Since majority of the students in these local villages fall in the age group 5-16, and are studying mainly in private schools. It would be better to affiliate these schools with the Baba Ghulam Shah Badshah University. This would further extend the reach of the university; also government should fix the genuine and reasonable rental rate of rooms which the students are paying for the rooms in the villages located near the Baba Ghulam Shah Badshah University. The people residing near the

university should open shopping malls, coffee shops and should enlarge the market as a whole apart from karyana shops as there is demand for such things from the students and university employees. This would also be an additional source of income to these people. Since the transport system from Baba Ghulam Shah Badshah University to Rajouri city/man market is not up to the mark, people should also purchase passenger vehicles, which can supplement the income sources of the locals.

Following are the main suggestions of the study are as under:

- All colleges and Schools of the pir panjal region should be affiliated with the Baba Ghulam Shah Badshah University; this will be helpful in contributing and achieving regarding the goals of the university.
- People living in close proximity with Baba Ghulam Shah Badshah University should think different segments of the business to cater the needs of the students and the staff and also it will increase the employment and earnings of localities.
- The university should introduce more courses in the campus that will not only suffice the purpose of the university but also it will provide more employment opportunities to the local people.
- People should also open shopping malls to meet the rising demand of students and university employees.
- People should also go for passenger vehicles for better transport facility from BGSBU to the main city. This will also be a source of income.

## CONCLUSION:

Although several studies have been conducted regarding the economic impact of rural universities on their surrounding communities, but this is the first study conducted in Rajouri district of Jammu and Kashmir regarding the economic impact of Baba Ghulam Shah Badshah University Rajouri on its surrounding communities. This study shows the economic impact of Baba Ghulam Shah Badshah University on the village namely Dhanore Loharan. Although there has been positive economic impact of Baba Ghulam Shah Badshah University on its surrounding communities after its establishment, but other things like opening up of shopping malls, coffee shops, enlarging the market as a whole should be done. These all can be the additional sources of income for the people residing in close proximity with Baba Ghulam Shah Badshah University. No doubt Baba Ghulam Shah Badshah University has positive economic impact on its surrounding communities, but other things mentioned above can be done that will have spillover effects on the surrounding community of Baba Ghulam Shah Badshah University Rajouri.

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