

Role of Private Trusts in Higher Education

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Quality higher education is a vital building block in the development of the nation. Institutions of higher learning determine the career paths of the youth and, in turn, determine the future of the country. Over the years, with the increase in population and literacy, the number of educational institutes for higher learning has also increased but not sufficiently to meet the demand.

TABLE 1: Growth in Higher Education Since 1950

Year	Universities	Colleges	Teachers	Studies
1950	25	700	15,000	100,000
2005	343	16,885	460,000	9,953,000

Source: International Institute for Educational Planning - www.unesco.org/iiep (UNESCO).

The influx of private institutes has taken place because the government was unable to meet the higher education needs of the growing population.

TABLE 2: Types of Institutions (2005)

Central universities	:	18
State universities	:	205
Deemed universities	:	95
Institutes of national importance	:	18
Constituent and affiliated colleges	:	16,885
Autonomous colleges	:	204

Source: International Institute for Educational Planning - www.unesco.org/iiep (UNESCO).

Classification of Institutes of Higher Education

Broadly speaking, institutes of higher education can be divided into:

1. GOVERNMENT-RUN INSTITUTES

Government aid ensures that there is no dearth of capital. Government institutes are pioneers in Indian education and therefore enjoy the advantage of the experience and an excellent alumni base. Government institutions have built a strong reputation and accumulated goodwill over the years. The most important advantage, however, is that the fees are extremely affordable because of the heavy subsidy. But the government has failed to start enough institutions to keep up with the demand. The bureaucratic set-up does not allow ideas to flow freely and updating of syllabi often takes too much time. Most government-aided institutes are not modernised enough to suit the needs of the fast-paced and demanding industry today.

2. PRIVATE INSTITUTES SET UP BY

(a) Industrialists/businessmen to enhance their equity: These capital- and infrastructure-rich institutes are run by industrialists/businessmen only to enhance their equity in the market. Most of these entrepreneurs have little or no academic background and are not even remotely connected with higher education. They focus on gaining mileage for their mainline businesses and multiplying their profits. The result is a lacklustre, substandard institute.

(b) Politicians only to strengthen their political base: Private institutes are set up by politicians only to strengthen their political base, earn profits, and garner votes. These institutes, though rich in financial capital and infrastructure, are likely to be affected in terms of growth and reputation by the political ups and downs of the founder's career. These institutes lack the professional approach and expertise that is necessary for imparting state-of-the-art higher education.

(c) The sunrise category - education-focused professionals and/or educationists/industrialists/politicians: The classic characteristic of this kind of institution is the commitment and focus of the founders to imparting quality education. The higher education segment requires a sizeable amount of investment in terms of

financial and intellectual capital. If coupled with passion and commitment towards providing quality education, this turns out to be a winning combination. Persons associated with developing such institutes are driven by a mission to provide the best education to the youth. The gains like money, name, and fame that result from such passion are secondary.

The only hindrance that institutes in the sunrise category are likely to face is the funding of quality infrastructure and steady flow of funds for their smooth functioning.

Crucifying the Good

In my opinion, the entire focus must be towards encouraging the sunrise category. The professionalism will ensure an excellent learning environment. Such institutions are built on a solid foundation of sincerity and passion for educational excellence. This foundation will ensure that the lifespan of the educational institute is at least 500 years.

But due to some bad apples, all the apples in the basket get classified as bad. A section of people considers all private institutes as bad, just because of the distasteful experiences with a few. It is important to separate the selfish few from the selfless and dedicated ones. The good and committed institutes must be identified and given special treatment by the government and society. There are a lot of institutes that have been founded by educationists/professionals who are not cash-rich. Such institutes possess abundant intellectual capital for higher education.

For this reason, we should look at the right options to ensure sustained funding for this category of institutes, so that they do not compromise on their vision and mission only for the sake of monetary resources.

Innovative Funding Options

What I am about to suggest here may be considered innovative, revolutionary, or even 'wrong'. All private institutes come under the purview of the Registrar of Societies Act or the Public Charitable Trusts Act. Both Acts provide controls by means of which the individuals heading the institutes cannot divert their funds for individual benefits.

In my opinion, 15 per cent of the students who could not make it on merit but have the financial strength to subsidise the education of five to six meritorious students should be given an opportunity to do so in return for their own admission. The entire payment must be made by cheque and thus accounted for. In this way, the entire money collected as 'donation' or 'capitation fees' will be deployed for the use of the institute.

Path-breaking as it may seem, this may be the best way to fund the institute and ensure that the college funds are used for its development. This will prevent pilfering of the cash and the money will appear in the books of accounts and will be used for the institution's growth.

This concept is not very new. Many universities in the US ensure admission of a candidate through a payment seat, whereby the candidate's name figures on the 'endowment list' as opposed to the 'enrolment list'. The latter is through merit alone.

Today the education scenario does not offer clarity on concepts like management seats, where 50 per cent of students

can secure admission through the management quota. I feel that even if 15 per cent of admissions are through a legal management quota, the education of the other 85 per cent will be cross-subsidised.

The entire process must be transparent and official. For example, if the cost of running a programme with a batch of 100 students is Rs 2 crore and one is able to raise Rs 1.5 crore through management quota admissions, the rest of the students will get an education worth Rs 2 lakh for just Rs 25,000. In this way, the affordability of a government institute and a private institution will be the same for the majority of meritorious students.

Roadblocks to Innovative Funding

The concept of innovative funding is achievable, but then education activists will be left with no issue. What will they protest about?