

Executive Summary

Introduction:

Higher education has more private than public returns (National Higher Education Policy, 1999). So it is rational for each beneficiary to pay for its costs. To the contrary, students and parents believe that financing of Higher Education used to be, is and has to remain the state responsibility. Financing of Higher Education therefore needs a re-look.

The researcher aims to understand the frameworks which have been used so far and can be used in future to finance Higher Education.

Significance of the Study:

- 1) The present study helped the researcher to understand the problems of financing Higher Education and the role of public and private sector in the development of quality education.
- 2) Various Financial Models are studied and analyzed which helped to identify the reliable Model.

Objectives of the Study:

- To bring out the reasons for the paradigm shift for financing the HE (Higher Education).
- To ascertain the perception of the stakeholders regarding the financial aspect of HE.
- To review and analyze different Financing Models and to identify the most adequate Model for financing HE.
- To find out whether the change in financing mechanism will improve the quality of HE.

Research Methodology: Based on primary and secondary data and it's logical analysis.

- Area of study : The Colleges affiliated to the University of Mumbai.
- Sample size : 133 responses were collected.
- Sampling technique : Stratified sampling.
- Analytical tools applied: Excel and SPSS.

Findings

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- ✓ There is a need to change the financial pattern of the Higher Education.
- The stakeholders still prefer Government Funding to have control over education sector.
- Only government or only private sector funding is not preferred. Mixed Financing rather could be a better Financing Model.
- PPPs can bring considerable improvement in the Education Sector.
- Private Sector contribution through Industry- Academia collaboration /Corporate Partnerships can elevate the standard of Higher Education
- The Distance Learning Programmes and MOOCs are less popular compared to campus learning.
- For the Models like Mergers & Acquisitions, Public issue and Venture capital it is difficult to understand risk - return factors.
- Strong regulatory system is needed to have foreign collaborations.

Preferred Models as per the primary data analysis

- 1- PPPs**
- 2- Government Funding**
- 3- Private Sector Funding**
- 4- Industry- Academia tie ups/ Corporate Partnership**

The researcher derived the Mixed Financial Model from the preferred Models

✓ Mixed Financing Model- i.e. Public Private Partnership (PPPs) in the form of Industry-Academia tie up / Corporate Partnership

Recommendations and Conclusions

- 1) Private Sector is a potential source and should be fully exploited to support Higher Education.
- 2) PPPs in Education Sector can bring considerable changes to improve quality of Higher Education.

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- 3) Corporate Financing should be encouraged to make education more relevant and contemporary.
- 4) Industry –Academia tie ups can solve the acute problem of deteriorating infrastructure and other facilities.
- 5) Higher Education Institutes, created and funded by a consortium of leading companies from across industry can increase placement percentage.
- 6) The teaching learning pedagogy can be a blend of conceptual and experiential learning.
- 7) Universities with the help of private sector can take over the independent Higher Education Institutes that struggle in the wake of a financial crisis.
- 8) The Corporate financing can help these big giants to compulsorily contribute their profits to CSR.
- 9) PPPs can lead to Autonomous colleges with professional courses having contemporary and industry relevant curriculum.
- 10) There can be internationalization of education; promoting high quality graduates and research in our country.

Limitations:

- 1) The study area and the population selected from the Universe is restricted to the University of Mumbai.
- 2) The non monetary measures are not considered, only the financial models are discussed and analyzed to improve the quality of HE.

Policy Implications:

- ✓ Educational planners of the country must think of committing a larger plan resource for universities and Higher Education.
- ✓ Coherent national strategic vision to prepare for Corporate Partnership.
- ✓ The Planning Commission must think to go for strategic and selective intervention, freedom of entry, autonomy in operation, complete transparency and competition, to create a first rate Higher Education.