A helping hand for Indian universities

Leadership in philanthropy is central to enabling an institutional vision for higher education

The future of Indian universities (public and private) will significantly depend upon our ability to harness the possibility of individual, institutional and corporate philanthropy for the purposes of higher education. A major legal and policy reform to promote some form of mandatory corporate social responsibility (CSR) was initiated through the Companies Act, 2013. Path-breaking, it had the potential to transform the relationship between business and society. Unfortunately, the results so far have not been encouraging.

Misinterpreting CSR

The Ministry of Corporate Affairs (MCA) has observed that among the 5,097 companies that have filed annual reports till December 2016 (financial year 2015-16), only 3,118 companies had made some contribution towards CSR expenditure. During FY 2014-15, 3,139 companies had spent 74% of the prescribed CSR expenditure – most were to the Prime Minister’s Relief Fund. There has been very little strategic thinking and innovation in the CSR where corporations can play a leadership role in contributing to society. This also shows that companies in India have generally not understood the larger goals of CSR, viewing it more as a charitable endeavour.

While there is much that deserves attention under the CSR framework for contributing to the social sector, the fact is that higher education and universities do need to receive significantly more attention. Every aspect of a university’s growth requires substantial financial resources: hiring of world class faculty; developing research centres; funding research projects; having rewards and incentives for faculty publications; building physical infrastructure, and making available scholarships for students. The Ministry of Human Resource Development should be working closely with the MCA to have a road map that incentivises CSR funding to be made available for universities.

The funding factor

Some years ago, a report by a committee constituted by the then Planning Commission and headed by the then chief mentor of Infosys, Narayana Murthy, focussed on the role of the corporate sector in higher education. It acknowledged the importance of stronger private initiatives and recommended steps such as free land for 999 years (sic), 300% deduction in taxable income to companies for contributions towards boosting higher education and 10-year multiple entry visas for foreign research scholars. It also recommended a ₹1,000 crore scholarship fund (with tax exemption for corporate sector contributions) to promote greater accessibility of higher education to the underprivileged. However, these recommendations were not implemented.

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Issue of philanthropy

Beyond a few examples of philanthropy in higher education in India, contemporary leadership in philanthropy in higher education is limited and almost non-existent. The historical evolution of public universities in India and their exclusive dependence on the government for all financial resources have contributed to limiting the capacity of funding that could be available for public universities. Today, public universities (State universities and other higher education institutions) face serious financial challenges. While the Central universities and institutions of higher education are better situated, complex procedures, incessant delays, regulatory obstacles and a labyrinth of regulations for access to the funds have created many disincentives for universities to have the necessary freedom and flexibility to spend resources as per their needs and priorities.

As far as private universities/higher education institutions are concerned, the problem is even more serious. The opening up of the private sector to higher education has ended up creating many mediocre institutions. The privatisation of higher education has not been driven by philanthropy but to a large extent by commercial and for-profit interests that do not have a symbiotic relationship with the vision, values and ethos of a university. Higher education and universities (private or public) by their very nature ought to be not-for-profit and established through philanthropy.

The Institute of Eminence (IOE) policy by the government did create hopes and expectations for establishing world class universities in India. Unfortunately, the policy, procedure and the process of selecting IOEs has been marred by a lack of transparency, vision and imagination in institution building. Therefore, there is an urgent need for policy intervention, where universities and related funding should be designated a priority sector. It should be seen as being more important than infrastructure development.

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