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India frequently speaks about demographic dividend and the enormous reservoir of young talent emerging from its towns and villages. Yet an uncomfortable question remains at the heart of our higher education system. Can a talented student gain admission to the country's best universities on merit without worrying about his/her financial capacity? In principle, we would like the answer to be yes. In practice, our universities' financial design makes this difficult.

#### Different models

Public universities in India have historically relied on government support to keep education affordable. While this model has enabled millions of students to pursue higher education at relatively low cost, the fiscal pressures on governments also mean that public funding alone cannot sustain the scale of research infrastructure, laboratories, faculty recruitment and academic expansion required in a rapidly evolving knowledge economy.

Private universities operate under a different constraint. Without substantial public funding, tuition becomes the primary source of revenue. Over time, universities must maintain quality, invest in faculty and infrastructure, and simultaneously keep education affordable. When tuition becomes the dominant financial pillar, even well-intentioned institutions struggle to fully eliminate financial barriers.

If India wishes to build globally competitive universities that remain socially inclusive, the underlying financial model of



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# Excellence with equity

## Why India should move towards tuition-blind admissions

higher education needs deeper reflection. A useful perspective emerges from the financial architecture of institutions such as Harvard, Stanford or MIT, which have a diverse financial base that combines tuition income, sponsored research overheads, philanthropic donations, and large endowments accumulated over decades.

#### An endowment

The concept of endowment deserves particular attention. This is a permanent financial corpus invested professionally, with only a portion of the annual returns used to support institutional activities and, over time, becomes powerful stabilising forces that finance scholarships, research programmes, professorial chairs, and infrastructure development. This allows universities to

delink admission decisions from a student's ability to pay. This idea is commonly described as tuition-blind admissions.

Under this system, a student's financial background does not enter the admission decision. The institution evaluates applicants purely on merit and ensures that financial constraints do not prevent the student from joining. Scholarships, grants and institutional support mechanisms are used to bridge the financial gap. Thus talent determines access to opportunity.

India has not yet developed such an ecosystem at scale. Historically, our universities have depended either on state funding or tuition revenue. Endowments and philanthropic contributions, although present, have not grown into large professionally

managed financial pillars for most institutions. But the conditions for change are slowly emerging.

#### Change underway

Over the past three decades, India has produced a large generation of globally successful professionals, entrepreneurs, and industry leaders, with many carrying a deep sense of gratitude towards the institutions that shaped their early careers. Increasingly, alumni are stepping forward to support scholarships, research initiatives, and infrastructure projects in their *alma mater*.

If these contributions are systematically channelled into structured endowment funds with transparent governance and professional management, they can gradually transform the financial foundations of Indian universities.

This will allow universities to gain greater long-term stability and reduce excessive dependence on a single revenue stream and invest more confidently in research and faculty development. Most importantly, they will acquire the financial flexibility required to design admission systems that are truly merit based.

For a country like India, this carries profound social significance. Many of the brightest students emerge from small towns and modest economic backgrounds. Their aspirations are often shaped not by lack of ability but by concerns about affordability. When admission decisions are insulated from financial considerations, these anxieties diminish and talent finds a clearer pathway. As India seeks to build universities capable of competing globally in research and innovation, the debate must move beyond infrastructure and rankings.

The deeper challenge lies in designing financial models that combine excellence with equity. Endowments, philanthropy and diversified institutional funding provide one possible pathway. If cultivated carefully, they can enable Indian universities to adopt tuition-blind admissions without compromising financial sustainability. A nation that aspires to harness the full potential of its young people must ensure that financial barriers do not stand in the way of talent. Tuition-blind admissions recognise that the future of a knowledge society depends on ensuring that merit alone determines who enters its most important institutions.

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