

# India should adopt a PPP model in higher education?

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India's higher education system is one of the largest in the world, with over 1,000 universities and more than 40,000 colleges catering to millions of students. Yet, scale has not translated into global competitiveness with only a handful of Indian institutions ranked among the world's top universities. Persistent challenges include limited high-quality research output, rigid governance structures, weak academia–industry linkages, and gaps in research infrastructure. Central and state universities remain heavily dependent on constrained government funding, while private institutions vary widely in quality. The result is a system that excels in producing graduates at volume but struggles to emerge as a global research and education hub. Addressing this imbalance requires rethinking institutional design and financing models. A useful template lies in the transformation of India's airport sector through the public-private partnership (PPP) model.

The transformation of India's airport sector over the past three decades through the PPP model has fundamentally reshaped airport infrastructure, introducing efficiency, investment, and global standards. Private participation has driven improvements in passenger experience, operational efficiency, and capacity expansion, while mobilising significant private investment that would have otherwise strained public finances. Crucially, this transformation has occurred within the ambit of a well-defined regulatory framework, with the Airports Economic Regulatory Authority of India (AERA) playing a supervisory role in determining tariffs and user charges. This has ensured that private operators cannot impose arbitrary costs on passengers while still providing enough leeway for private operators to obtain substantial returns on their investments. This balance between market efficiency and public accountability offers a powerful template for other sectors, including higher education.

The first lesson to be gleaned from airport PPPs is their ability to mobilise large-scale private investment without relinquishing public oversight. In India's PPP airport model, the government typically retains a strategic stake ensuring that public interest objectives, such as accessibility and affordability, are preserved even as private players bring in capital, expertise, execution speed, and global talent.

Second, PPP models enable revenue diversification, an area where Indian universities lag significantly behind their global peers. Airports under PPP have successfully leveraged non-aeronautical revenues, such as retail, real estate, advertising, and hospitality to

cross-subsidise operations and investments. Similarly, leading global universities generate substantial income from endowments, patents, industry partnerships, and alumni contributions. In contrast, most Indian institutions rely heavily on tuition fees and government funding. A PPP-driven university ecosystem could alter this financial model by monetising intellectual property, incubate startups, and build innovation districts.

Third, PPP airports have been able to attract global airlines to operate out of their airports by offering competitive pricing, add-on services such as MRO operations. This, along with embracing digitalisation and automation to enhance efficiency, has led to improved passenger experience. Drawing a parallel in higher education, the most critical advantage of PPP universities will be their ability to compete for global talent. Unlike traditional public institutions constrained by rigid pay scales and bureaucratic hiring processes, PPP institutions, backed by strong financial capacity, can offer globally competitive salaries, research grants, and performance-linked incentives. This enables them to attract top-tier faculty, researchers, and academic leaders from around the world. The result is not merely better teaching quality, but a significant strengthening of research output and global academic visibility. In effect, financial strength translates directly into intellectual capital. Embedding private-sector dynamism within academically mature institutions ensures sustained academic advancement across multiple fronts.

Finally, airports operate as complex ecosystems involving airlines, logistics providers, retailers, and technology firms, with PPP operators being more amenable to- and fostering- collaboration. Applying this model to universities would strengthen the academia-industry gap, arguably one of the weakest links in India's R&D ecosystem and encourage deeper industry engagement. It would also lead to improved curriculum design, research funding, and skill development. This is essential for creating a workforce capable not just of employment, but of innovation-led growth.

Several of India's well-known universities, which were once globally recognised, have slowly declined in stature. For example, the mathematics department at Andhra University in Visakhapatnam once used to house T Vijayaraghavan (a student of GH Hardy), V Rama Swami (a student of Littlewood), and S Chowla (a reputed number theorist), but such calibre is now a rarity in central and state universities. On the other hand, institutions such as BITS and ISB have already demonstrated that private participation in India's higher education can lead to long-term successful outcomes. But, establishing a high-quality private university from scratch is a capital-intensive and time-consuming process requiring large upfront investments in infrastructure, faculty recruitment, and brand building, often taking decades to achieve credibility and scale.

Therefore, a PPP model offers a more viable alternative by hiving off existing public universities to private status, which in turn augments them with private capital and managerial efficiency while freeing up public finances. This will significantly reduce gestation

periods while accelerating quality enhancement. A phased approach, where a public institution is eligible to be transitioned to PPP only after achieving a certain stature, academic maturity, governance stability, and credibility, will preserve the public ethos while enabling later-stage efficiency gains.

However, adopting PPP in higher education is not without its fair share of challenges. Lessons from the airport sector highlight the importance of strong regulatory oversight, transparent bidding processes, and well-designed, forward-looking concession agreements. Therefore, a sector-specific regulatory oversight body, akin to AERA's role in airports, is essential to monitor the operations and performance of these universities. Furthermore, government must retain some key positions in the Board of Governors of universities to prevent excessive fee escalation, ensuring that affordability remains a core principle alongside quality. Nevertheless, the proposed model of transitioning mature public institutions into PPP frameworks ensures that public investment creates foundational strength, which is then amplified through private participation.

The success of the PPP model in India's airport sector offers a compelling blueprint for transforming higher education. By adopting a phased and well-regulated PPP approach for academically mature universities, India can unlock investment, improve quality, and strengthen research capacity. Importantly, this model avoids the long gestation periods and high costs associated with building private universities from scratch by upgrading existing public institutions. If implemented effectively, PPP can help India transition from a system focused on scale to one defined by quality and innovation.

Given its demographic advantage and growing economy, India is well-positioned to adopt such models provided it adopts a strategic, phased, and well-regulated PPP framework. Leading universities worldwide leverage private funding while maintaining strong public missions through research partnerships and innovation ecosystems. In a knowledge-driven global economy, strengthening higher education is critical to long-term competitiveness, making a calibrated PPP approach an imperative for India's future.

The views expressed are personal)

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