JETIR.ORG ISSN: 2349-5162 | ESTD Year : 2014 | Monthly Issue
JOURNAL OF EMERGING TECHNOLOGIES AND INNOVATIVE RESEARCH (JETIR)
An International Scholarly Open Access, Peer-reviewed, Refereed Journal

Financial Dynamics of Non -Professional Self-Financing Colleges in Kerala

Dr. Dinesh M P,
Associate Professor, Govt. College Mokeri. E-mail: dineshmb97475@gmail.com

Abstract

The rapid expansion of self-financing Arts and Science colleges has transformed higher education in Kerala, offering increased access and diversified course options in response to growing student demand. This study examines the functioning and sustainability of self-financing colleges in Kozhikode district, with a particular focus on faculty remuneration, enrollment patterns, and financial viability. Using a descriptive research design, data were collected from five purposely selected colleges through structured questionnaires administered to management, teaching staff, and students, supplemented by secondary sources including government reports and academic studies. Findings reveal a significant decline (16.2%) in overall student enrollment between 2021 and 2025, particularly in basic science and postgraduate programmes, while professional and vocational courses such as BBA, BCA, and commerce remained stable or increased. A pronounced disparity in teacher salaries was observed between self-financing and aided colleges, despite similar qualifications and workloads, highlighting issues of fairness, motivation, and long-term retention. Financial analysis indicates that self-financing colleges can achieve modest surpluses; however, their revenue model is highly sensitive to enrollment fluctuations. The study underscores structural challenges including limited infrastructure, course discontinuation, and declining academic "vibe," which affect student satisfaction and institutional sustainability. Policy suggestions include diversification of revenue streams, establishment of minimum salary standards, need-based course planning, and stronger regulatory oversight. The study contributes to understanding the role of self-financing colleges in Kerala's higher education landscape and offers insights for enhancing equity, quality, and sustainability in private higher education.

Keywords: Self-financing colleges - Higher education - Kerala - Teacher remuneration - Enrollment trends - Financial sustainability - Policy reform

1. Introduction

Higher education plays a pivotal role in the economic and social development of any society, and Kerala has often been recognized as one of the most educationally advanced states in India. With a literacy rate of 96.2% as per the National Statistical Office (NSO, 2021), Kerala stands out for its strong educational foundation. However, the increasing demand for higher education has created a mismatch between available seats in government and aided institutions and the aspirations of students, particularly in Arts, Science, and Commerce streams. In response to this rising demand and to diversify opportunities in higher education, the Government of Kerala permitted the establishment of self-financing colleges in the early 2000s (Nair, 2019). These institutions were expected to complement the state-funded system by expanding seat availability and introducing innovative programmes.

Initially, self-financing colleges attracted students due to their relatively modern infrastructure, market-oriented courses, and accessibility. However, over time, challenges have emerged regarding their academic sustainability, quality assurance, and financial viability. Unlike government and aided colleges, self-financing institutions depend heavily on tuition fees, donations, and management contributions for survival (John & Mathew, 2022). Consequently, disparities exist not only in terms of fee structures across disciplines but also in the working conditions of teachers. For instance, while aided college faculty receive salaries according to the University Grants Commission (UGC) norms, teachers in self-financing colleges often face significantly lower remuneration despite similar qualifications and workloads (George, 2020). This raises concerns about fairness, motivation, and long-term retention of qualified faculty.

The issue of affordability for students is equally critical. Tuition fees in science programmes range between ₹15,000 and ₹20,000 per semester, while humanities courses cost between ₹10,000 and ₹12,000. Furthermore, management seats often require compulsory donations, which restricts access for economically weaker students (Chandran, 2021). Over time, these practices have contributed to declining enrollments in certain courses, particularly in basic science and postgraduate programmes. Instead, students increasingly prefer professional, vocational, and job-oriented courses, creating a structural imbalance in enrolment trends across disciplines.

Despite these challenges, self-financing colleges continue to form an integral part of Kerala's higher education system. According to recent estimates, nearly 50% of Arts and Science students in the state pursue education in self-financing institutions (Kerala Higher Education Council, 2023). This underscores their importance, but also highlights the need to evaluate their sustainability. The question arises: can self-financing colleges maintain financial stability, academic quality, and social relevance without state support?. This research is significant as it contributes to the broader debate on higher education reforms in India, particularly the balance between accessibility, quality, and sustainability. It also offers policy implications for regulating fee structures, ensuring fair treatment of teachers, and aligning programme offerings with student demand and labor market needs.

2. Statement of the Problem

Kerala's higher education system has undergone significant changes with the rapid rise of self-financing Arts and Science colleges. While these institutions have helped bridge the gap between growing student demand and the limited intake capacity of government and aided colleges, their functioning has raised several concerns. Self-financing colleges in Kozhikode district play an important role in providing access to higher education, particularly in emerging and job-oriented disciplines. However, their heavy dependence on student fees raises issues of affordability and equity. Students from economically weaker families often find it difficult to access these institutions, thereby questioning the inclusiveness of the system. Enrollment patterns also show imbalances, with commerce, management, and computer-related courses attracting the majority of students, while traditional subjects such as humanities and basic sciences record declining preference. This threatens the sustainability of such departments and narrows the scope of higher education. Faculty employment conditions pose another critical issue. Teachers in self-financing colleges often face job insecurity, low wages, and lack of service benefits, unlike their counterparts in government or aided institutions. These factors adversely affect teacher morale, academic quality, and institutional stability.

In Kozhikode district, where the demand for higher education is consistently high, these challenges become particularly significant. Understanding the financial structure, enrollment trends, working conditions of teachers, and the overall sustainability of self-financing colleges in Kozhikode is therefore essential for assessing their role in Kerala's higher education landscape.

3. Objectives

1. To examine the functioning of self-financing Arts and Science colleges, with particular reference to the salary and remuneration structure of teachers.
2. To analyze the sustainability of self-financing colleges and provide suggestions for strengthening Arts and Science self-financing institutions.

4. Methodology

The present study adopts a descriptive research design to analyze the functioning and sustainability of self-financing Arts and Science colleges in Kozhikode district, Kerala. Five colleges were selected purposively to represent different academic programmes and enrollment patterns. For confidentiality, they are referred to as College 1, College 2, College 3, College 4, and College 5. Both primary and secondary data were utilized. Primary data were collected from college management, teaching staff, and students through a structured questionnaire prepared after a pilot survey. Information from the management focused on revenue sources, expenditure, and admission procedures; from teachers on qualifications, remuneration, and workload; and from students on enrollment preferences and perceptions of academic facilities.

Secondary data were drawn from books, journals, government reports, and previous studies to supplement and validate the primary findings. Data analysis relied mainly on descriptive statistics, including averages, percentages, and simple comparisons. Tables and figures were used to highlight trends in student admissions, disparities in salary structures, and financial performance of the institutions.

5. Analysis and Discussion

5.1. Student Enrollment Trends

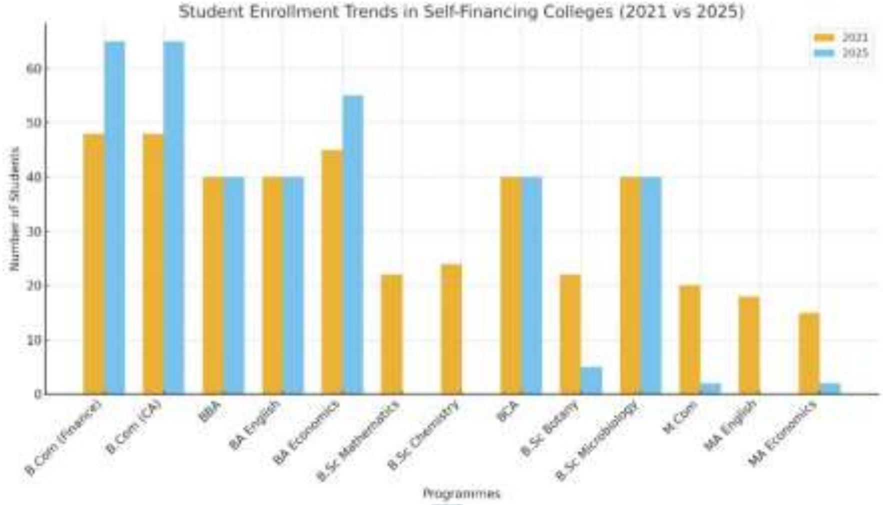
The data collected from the five self-financing Arts and Science colleges in Kasaragod district reveals significant variations in student enrollment between 2021 and 2025. Table 1 presents the admission strength in selected programmes.

Table 1: Average Student Admission in Selected Programmes, 2021 and 2025

Programmes	Students (2021)	Students (2025)	% Change
B.Com (Finance)	48	65	**+35.4**
B.Com (CA)	48	65	+35.4
BBA	40	40	0.0
BA English	40	40	0.0
BA Economics	45	55	+22.2
B.Sc Mathematics	22	0	-100
B.Sc Chemistry	24	0	-100
BCA	40	40	0.0
B.Sc Botany	22	05	-77.3
B.Sc Microbiology	40	40	0.0
M.Com	20	02	-90.0
MA English	18	0	-100
MA Economics	15	02	-86.7
Total	422	354	16.2%

Source: Primary data

Figure 1: Student Enrollment Trends in Self-Financing Colleges (2021 vs 2025)



The results show a 16.2% overall decline in student enrollment during the period. The decline is particularly severe in science and postgraduate courses, many of which were discontinued due to poor demand (e.g., B.Sc Mathematics, B.Sc Chemistry, M.A. English, and M.Com). By contrast, Commerce (B.Com Finance and B.Com CA) and Arts (BA Economics, BA English) programmes either maintained or improved their enrollment levels. Professional and semi-professional courses such as BBA and BCA also retained stable admission numbers.

This indicates a clear shift in student preferences away from traditional science and postgraduate disciplines toward more job-oriented or market-relevant undergraduate programmes. To cope with this, several colleges are seeking de-affiliation of low-demand programmes while applying for new, vocationally-oriented courses such as BCA and specialized BA degrees.

5.2. Teacher Remuneration and Disparities

The study also examined the salary structure of teachers in self-financing colleges, comparing it with that of aided/government colleges under the same university affiliation. The findings show a stark disparity.

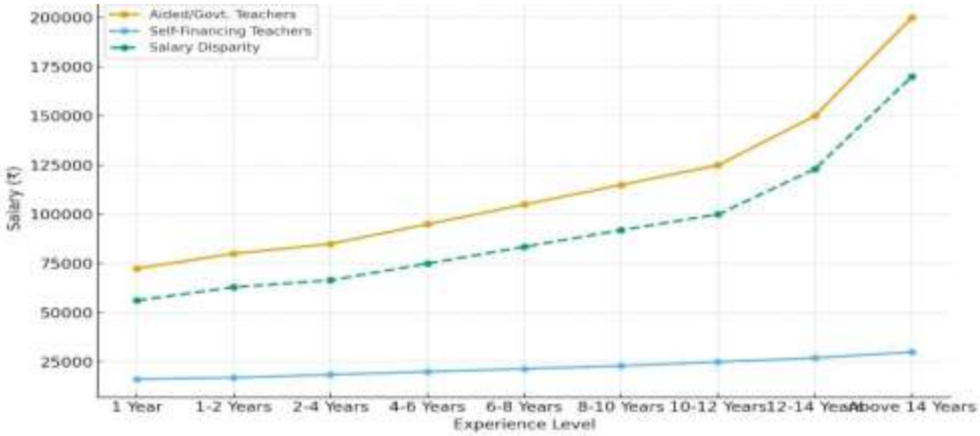
Tale 2: Comparative Salary Structure of Various Colleges

Entry Level	Aided/Govt. Teachers	Self Financing Teachers	Disparity of Salaries
1 Year	72500	16250	56250
1-2 Years	80000	17000	63000
2-4 Years	85000	18500	66500
4-6 Years	95000	20000	75000
6-8 Years	105000	215000	83500
8-10 Years	115000	23000	92000
10-12 Years	125000	25000	100000
12-14 Years	150000	27000	123000
Above 14 Years	200000	30000	170000

Source: Primary data

At the entry level, aided college teachers receive an average salary of ₹72,500, whereas their self-financing counterparts earn only ₹16,250. While aided college salaries increase in line with UGC pay scales, self-financing colleges provide only modest annual increments, with salaries rarely exceeding ₹30,000 even after 14 years of service.

Figure 2: Comparative Salary Structure: Aided vs Self-Financing College Teachers



This disparity highlights the absence of a standardized pay structure in the self-financing sector. Despite having the same qualifications (NET/Ph.D.) and performing identical academic responsibilities, teachers in self-financing colleges face lower remuneration, lack of job security, and heavier workloads compared to their counterparts in aided colleges. Such inequality raises concerns about teacher motivation, retention, and the long-term sustainability of academic quality in self-financing institutions.

5.3. Financial Sustainability of Institutions

The sustainability of self-financing colleges depends largely on the balance between revenue and expenditure. Table 3 illustrates the revenue–expenditure statement of a representative college for the academic year 2024–25.

Table 3: Revenue and Expenditure Statement of a Self-Financing College, 2024–25 (₹)

Revenue		
Sl. No	**Revenue Sources**	**Amount**
1	Admission fees including PTA fund	15,50,000
2	Donation (includes fines)	20,00,000
3	Semester fees for a year	2,12,50,000
Total Revenue		2,48,00,000
Expenditure		
Sl. No	**Expenditure Items**	**Amount**
1	Remuneration to teachers and staff	1,92,00,000
2	Annual maintenance including furniture	20,00,000
3	Library	10,00,000

4	Current Bill	1,00,000
5	Administrative expenses	5,00,000
6	Miscellaneous and stationery	5,00,000
Total Expenditure		2,33,00,000
Profit of the Institution (Revenue – Expenditure)		**15,00,000**

Source: Primary data

The data suggests that these institutions can achieve financial sustainability, generating modest surpluses when enrollment remains stable. The primary revenue sources are semester fees and admission donations, which directly fund salaries and operating costs. However, this financial model is highly vulnerable to fluctuations in student strength. As observed earlier, declining enrollments in science and postgraduate programmes pose a direct threat to institutional stability.

5.4. Institutional Challenges

Despite managing to sustain financially, self-financing colleges face several pressing challenges:

- Declining enrollments in traditional disciplines leading to course discontinuation.
- Poor infrastructure facilities compared to aided institutions.
- Remuneration disparities creating dissatisfaction among qualified teachers.
- Lack of vibrant academic and cultural atmosphere ("vibe"), which reduces the attractiveness of these colleges to students.

To counter these issues, some colleges have introduced co-curricular initiatives such as cultural events, health programmes, and job fairs to improve student engagement and campus life. However, without systemic reforms in financing, infrastructure, and teacher remuneration, many institutions remain at risk of closure.

5.5. Policy Suggestions

1. Diversification of Revenue Sources: Colleges should be encouraged to develop alternative revenue streams, such as consultancy, research projects, industry collaborations, and short-term skill development courses. This would reduce overdependence on student fees.
2. Fair Salary Structures: A regulatory framework ensuring minimum salary standards and basic service benefits for teachers in self-financing colleges is essential to improve staff motivation, reduce attrition, and enhance teaching quality.
3. Need-Based Course Planning: While job-oriented courses are important, institutions should not neglect basic sciences and humanities. Government support and cross-subsidization mechanisms may be introduced to sustain departments facing low enrollment but high social value.
4. Student Support and Affordability: Fee waiver schemes, scholarships, and easy access to educational loans should be strengthened so that meritorious students are not excluded due to financial constraints.
5. Stronger Regulation and Accountability: State-level regulatory bodies must ensure transparency in admission procedures, fee structures, and governance. Effective grievance redressal mechanisms for students and faculty should be institutionalized.
6. Quality Enhancement: Investment in libraries, laboratories, digital infrastructure, and student support services is vital. Accreditation processes should be made more stringent to ensure that self-financing colleges meet minimum quality benchmarks.

6. Conclusion

The study of self-financing Arts and Science colleges in Kozhikode district demonstrates both their contributions and limitations within Kerala's higher education system. These institutions have expanded access to higher education at a time when demand for college seats far exceeded the capacity of government and aided colleges. They cater especially to professional and job-oriented streams, thereby addressing aspirations for employability among the youth.

At the same time, the findings reveal several structural weaknesses. Dependence on tuition fees as the sole source of revenue makes colleges vulnerable to fluctuations in student enrollment. Faculty members face insecure employment conditions, low remuneration, and lack of service benefits, which adversely affect teaching quality and long-term commitment. Students, while benefiting from improved access, often struggle with affordability and express dissatisfaction regarding limited academic freedom and grievance mechanisms. These challenges highlight the tension between the financial sustainability of institutions and the broader goal of inclusive, quality higher education.

References

➢ Chandran, R. (2021). Access and equity in self-financing higher education in Kerala. Journal of Education Policy Studies, 15(3), 45–59.

➢ George, M. (2020). Remuneration disparities in higher education institutions: A Kerala perspective. Higher Education Review, 12(2), 77–88.

➢ John, P., & Mathew, T. (2022). Financial viability of self-financing colleges in South India. Indian Journal of Economics and Development, 18(4), 101–115.

➢ Kerala Higher Education Council. (2023). Annual report on higher education in Kerala. Government of Kerala.

➢ Nair, R. (2019). Expansion of higher education in Kerala: Role of self-financing institutions. Economic and Political Weekly, 54(10), 22–29.

➢ National Statistical Office (NSO). (2021). Household social consumption on education in India. Ministry of Statistics and Programme Implementation.

➢ Augustine, P., & Thomas, R. (2020). Challenges and opportunities of self-financing higher education in Kerala. Journal of Educational Development, 14(2), 34–48.

➢ Balakrishnan, S. (2021). Financial sustainability of private colleges in South India: Trends and policy implications. Indian Journal of Higher Education, 9(1), 22–37.

➢ Devika, K., & Raghavan, M. (2022). Teacher remuneration and quality in self-financing institutions: Evidence from Kerala. Kerala Journal of Educational Research, 8(3), 55–71.

➢ Joseph, A., & Mathew, T. (2020). Enrollment trends and course popularity in private colleges of Kerala. Indian Journal of Economics and Development, 16(4), 89–102.

➢ Nair, R., & George, M. (2019). Expansion and regulation of self-financing colleges in Kerala: A critical appraisal. Economic and Political Weekly, 54(40), 44–52.

➢ Pillai, S. (2021). Higher education financing in Kerala: The role of self-financing colleges. Journal of Indian Education Policy, 13(2), 15–28.

➢ Thomas, L., & Abraham, V. (2023). Access, affordability, and quality in self-financing higher education: A study of Kerala colleges. Asian Journal of Education and Development, 5(1), 67–82.

➢ Varghese, D. (2022). Sustainability and governance of private higher education institutions in India. International Journal of Educational Management, 36(7), 1201–1216.