

Inroads of Foreign Universities in Higher Education and its Impact on Indian Economy: An Exploratory Study

Dr. Sampurna Bhuyan, sampurnabhuyan@yahoo.com
Assistant Professor, Department of Business Administration,
Girijanda Chowdhury Institute of Management and Technology- Guwahati, Assam

Abstract

It is an undisputed fact that a majority of the universities in our country measure below the International standards. Attempts to 'change' education have so far tended to focus on two key areas- the structure of university and the content of curriculum. Though Indian Education System is going through a transformation and there has been a significant change in its infrastructure, faculty strength, latest curriculum etc. but the Universities are not enough in numbers to meet up the demand of the prospects and also Indian higher education is presently moving through turbulent times, as a host of policy initiatives as well as administrative actions are already on, or, are getting activated. Some of these initiatives will address the shortcomings of yesterdays, while others are futuristic to lay down the roadmap for the way ahead. Foreign Educational Institutions Bill (FEIB) is a major initiative that will allow foreign educational institutions to bring up their campuses in India. "Braindrain" is a major factor of concern since it has been felt that India does not have the required expertise in its Higher Education and this crisis has led to the outflow of brains from India to foreign Universities. As India already is in a dearth of skilled faculties so it would be interesting to observe how these foreign universities will meet up the demand for skilled faculties here. With the gradual increment in the number of students opting for Foreign Universities to pursue education, it is now imperative to analyse the current scenario. Now, if the FEIB gets passed in parliament, will it be successful in delivering quality education to the students and thereby minimizing the crisis in higher education which has fuelled the so called braindrain? This paper seeks to explain the feasibility and desirability of the introduction of foreign education in Indian higher education system to meet the crisis thereby. Another objective of this paper is to explore the advantages as well as disadvantages of opening up Indian doors to the foreign educational institutions. To be more realistic, it seems that second-tier institutions will be more inclined to earn revenue from overseas market rather than excellence in knowledge. But many Indian Students, who opt to go abroad to pursue their higher studies do take admissions in second tier institutions will not venture out if they can get admission in campuses of these institutions back home. Again foreign campuses in India may, in fact, help India emerge at least as a regional education hub. With improvement in higher educational institutions, India will be able to attract students from other countries as well. But still it remains to be seen whether India gain something from these foreign universities contemplating to set up their campuses in India

and commitments in higher education. The objective of this paper is to study the people's perception regarding foreign degree and the education imparted to them by these foreign universities in their own country. The challenge before the foreign universities would be how to blend traditional Indian Management concept with modern competitive strategic environment. This paper also attempts to study the various challenges and opportunities available to the foreign educational institutions to succeed in this competitive market.

Keywords: Indian higher education system, foreign universities, braindrain.

'Education is an ornament in prosperity and a refuge in adversity'. — Aristotle

Introduction

The biggest buzzphrase among the young students today is foreign degree – or education in foreign universities. Whether it is a third tier institute or highly expensive one, many have the perception that no matter what the institute is offering, there will be no dearth of demand for the foreign degrees. The first crisis, therefore, we need to address is the level of public discourse on higher education. Unless we elevate this, we are not going to get very far. The cause of declination of the standards of education is rooted in the system itself. The system lays greater emphasis on quantitative expansion rather than on qualitative managerial or structural change. India has seen a consistently high rate of economic growth in the recent years. It has now become a major player in the global knowledge economy. Skill-based activities have made significant contribution to this growth. Such activities depend on the large pool of qualified manpower that is fed by its large higher education system. It is now widely accepted that higher education has been critical to India's emergence in the global knowledge economy. Today the world is of science, new inventions and competitions to excel over the other. We can be proud to be a part of our great country but the world has shrunk today to a common platform on the basis of higher education and learning. Everybody has to be ready to receive and contribute towards new ideas, thoughts and systems. To gain the benefits of modern society and compete with the outside world, it is necessary that youth of our country get higher education. More and more avenues of higher education are provided to them at affordable prices and in all locations so that all round development in personality of the complete society takes place. Rather now it is the duty of each individual to ask for higher studies and be broadminded. During the last few years, universities have increased manifold to impart higher education through various colleges all over the country.

According to Nobel laureate Amartya Sen (1970), while analysing the crisis in Indian education, rather than attributing the crisis in Indian education to administrative neglect or to thoughtless action, pointed out that the 'grave failures in policy-making in the field of education require the analysis of the characteristics of the economic and social forces operating in India, and response of public policy to these forces' He emphasised that 'due to the government's tendency to formulate educational policies based on

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public pressure, often wrong policies are pursued.' Unfortunately, it is believed that policy-making suffers from similar failure even today. According to Pawan Agarwal(2006) majority of foreign universities currently operating in India conduct their business via "twinning arrangements" or program-specific collaborations. Also there is no major foreign education provider operating in India through its offshore campus or branch campus. Agarwal not too sure that legislation on foreign universities in India will have easy passage in the Indian Parliament. Kapil Sibal (2008), states the fact that that the time has come, like in manufacturing and the service sector, in the area of education, for institutions to reach for students rather than students reaching for institutions. Abhay Pethe (2008) has highlighted that in the emerging global world order, India is trying to position itself as a knowledge driven economy. Higher education assumes tremendous importance in this context. Large scale changes are being talked about and may indeed be implemented.

Objectives

Based on existing literature, this paper seeks to explain the present status of higher education in India along with recent developments in this area to meet the crisis thereby. Accordingly objectives of this study are-

- To explain the feasibility and desirability of the introduction of foreign education in Indian higher education system to meet the crisis thereby.
- To explore the various challenges and opportunities available to the foreign educational institutions to succeed in this competitive market.

Methodology

The study is based on secondary sources of data. Information is collected from various journals and publications. Methodology adopted is explorative in nature. Content analysis is used to observe the change in mindset of the people and change in the policy of the government towards education.

Current Status of Higher Education in India

There have been significant changes in the field of higher education during the last three decades. The phenomenal growth in the number of colleges and universities, the high enrollment and turn over of degree holders, the increase in the teacher salaries, and the six-fold increase in the higher education budget provide some indicators of the progress made. On the other side of the balance sheet is the high percentage of drop out, the ever-growing educated unemployed, the drain of skilled manpower and the continuing chorus of concern about the lowering standards of teaching. From this, one cannot escape the two apparent conclusions. The productive capacity of the system has gone up but the relevance of the product has gone down. The teacher has been rehabilitated, but the degree has been devalued. The devaluation of the degree can be seen from the fact that there are more graduates for jobs which require SSLC qualification. Also the fact

that according to the UNCTAD study on the 1971 base line India exported 900 crores worth trained manpower goes to prove that the product of higher education is irrelevant for the country itself but serves the cause of other countries. Secondly, the heavy input and infrastructural investment not only fails to alter the fundamental shortcomings, but masks them and often strengthens them. More investment has produced more of the same thing rather than bringing about radical change and transformation. The higher input in Central Universities results in per capita higher expenditure for units of education, leaving the question of standards in open issue. The distinction between the Central and State Universities is one of difference in the source of funding. According to a study conducted by '*Business Today*' (March, 2008) Indian Education Sector (IES) is by far the largest capitalized space in India with \$30bn of government spend (3.7% of GDP; at global average), and a large network of 1m schools and 18,000 higher education institutes.

Standards in Higher education

There is no comprehensive approach to the question of standards. There is a strange contradiction relating to the question of standards in the field of higher education. Standards are constantly lowered for specific regions, castes and subjects while at the same time favour of the minorities as a convenient handle to beat the opponents espousing the cause of the majority. Affirmative action in Indian higher education is in the form of admissions quotas for members of the Scheduled Castes (formerly untouchables), Scheduled Tribes, and a government category known as the Other Backward Classes (defined by caste and economic criteria). Recently the Minister of Human Resource Development said such admissions quotas (known as reservations) would apply to foreign universities operating in India. The reservation system could present a barrier for some institutions interested in working in India,

Recent Developments in Indian Higher Education

It is widely believed that technological advances and a shift in demographic provide India with a window of opportunity to productively engage its huge pool of human resources, and become a leader in both the rapidly expanding sectors of services and highly skilled manufacturing. This would, however, require revamping the higher education sector. Hence many steps have been taken to augment supply, improve quality and fix many of the problems faced by higher education. The National Knowledge Commission (NKC) that was set up to examine the higher education sector (amongst other things) made several useful and important recommendations. The Government of India has increased funding significantly during the Eleventh Five Year Plan. Many new institutions have been planned and some of them are already operational. There are many good ideas in the plan document. All these efforts, however, appear to be somewhat disconnected.

Some even appear to be at cross-purposes with each other. Several suggestions appear to be merely impressionistic views of individuals, rather than being supported by data and

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research. Overall, these efforts do not give a sense of an integrated reform agenda for Indian higher education. And in absence of credible data and good analysis, the media continues to perpetuate and exacerbate certain fallacies and inconsistencies.

With ambiguity in defining its purpose and vagueness about its quality, debate on higher education is usually full of rhetoric. As pointed out by Kapur and Crowley(2008), for the higher education 'sector whose main purpose is to train people with strong analytical skills, it is ironical that its own self-analysis is replete with homilies and platitudes, rather than strong evidence'. Institutions of higher education today are an integral organ of the state and economy. They are embedded in the history and culture of a nation and are shaped by its contemporary realities, ideologies and vested interests. India's large size, long history and diverse culture and the complicated nature of Indian polity and policy process make Indian higher education a very complex enterprise.

The Developing Crisis in Higher Education

Indian higher education is facing a serious crisis of professionalism. We have already heard stories of corruption at regulatory bodies and institutional misrepresentation.

More recently, trends of expansion without the emphasis on quality and transparency is resulting in unhealthy and unprofessional competition among institution. The interest of Higher Educational Institutions from around the world (particularly USA) in creating an active presence in India is indeed understandable and desirable. In countries like India, there appears to be a conflict between development and distribution of the production of development. There is no wonder therefore that the values of the beneficiaries of development will be reflected in the education system. The reality is that these beneficiaries are the intellectual followers of the west rather than intellectual leaders of their countries. With higher education controlled by and benefitting such a minority elite, with regional and sub-regional universities proliferating and with declared support for scheduled caste universities, the concept of university "as being our society's engagement with pure value" is almost nonexistent. Language as medium of education has a major role in maintaining as well as lowering the quality of education in India. The elite is in favour of English, which they consider a status symbol. As education has bypassed the majority, the national consensus is in favour of a switchover to regional language media which is expected not only to increase the access to education, but also establish a viable relation between tradition and change. The lukewarm attitude of the academics towards the switchover has resulted in half-hearted teaching of both English and the regional languages and consequently lowering of the general standard of education. India is only an example of such distorted economic growth in developing countries where high spending in higher education in the name of the development of the modern sector led to gross inequities between the urban and rural beneficiaries of the system. The United Nations took note of such imbalances in development as early as 1970 and the World Bank issued its first comprehensive policy paper on education 1971. In India, there is over-crowding in the classes of higher education also. The ratio

of teachers as compared to pupils is very low. And higher education is examination ridden. Easy and shortcut methods are being adopted to achieve success. The students are getting fascinated to all things except books. The dependence on the Examinations only is the main cause of deterioration in our education system. No real or practical knowledge is gained by the students. There is a big gap between the practical life and education in colleges.

Other Sphere

Indian Institutes of Technology (IITs) and a few other decent institutions are woefully insufficient to hide the state of India's higher education. The crisis is perhaps worse than the one in our school system. It may be illustrative to look at the IITs themselves. Hardly Indian institution figures in any "top 100 universities of the world" list, not even all the IITs. Braindrain' is a major factor of concern since it has been felt that India does not have the required expertise in its Higher Education and this crisis has led to the outflow of brains from India to foreign Universities. The only exception is perhaps the quality of the students who graduate from these places. The reputation of the IITs has been built by the achievements of their students.

One segment of Indian higher education where we already have significant private participation is engineering. However, experience in Hyderabad shows that those that do not deliver quality get into trouble sooner than later. The good engineering colleges in Hyderabad remain in demand and the bad ones have difficulty getting students. Some have even close down. That is how it should be. Be that as it may, there is no justification to shut out private, for-profit enterprises setting up universities. Those who offer quality education will succeed, and the market will force others to shut down. A half-rigorous comparison of private engineering colleges with government engineering colleges is sufficient to tell us that on average, the former do not do a significantly better job than the latter

The introduction of four bills in parliament on May 3, 2010, regarding entry and operation of foreign educational providers, mandatory assessment and accreditation, prevention and prohibition of malpractices, and establishment of a tribunal to fast-track adjudication; and circulation of draft bills on national commission for higher education and research and universities for innovation should also be seen in the light of the above scenario and pressures coming on the Indian government.

Through these bills, the UPA-2 government is creating a framework that would enable the implementation of its agenda of neo-liberal 'reforms' in higher education system and for meeting the requirements of private local and foreign educational institutions.

The new framework, with no social control over higher education institutions, with the denial of constitutional right to teachers and other employees to take recourse to high courts, with no remedial mechanism for the solution of problems of students and with mandatory accreditation, will facilitate trade in higher education in the country.

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The all-powerful national commission will provide single-window clearance to foreign institutions to start their shops. The Universities for Innovation Bill will provide them an alternative route for establishing their campuses with greater power, freedom and prestige, with the removal of most of the restrictions proposed in the foreign educational institutions bill.

The recent announcement by the Indian government to start World class universities would help to solve the crisis in higher education. Also the announcement by the Reliance Group to open a World Class university to promote education in India. Reliance has plans in place to open a university meeting international standards and providing facilities to promote research in areas ranging from Liberal Arts to Technology. As per the official statement by Mr. Mukesh Ambani, "It will be international in scale and in best practices, but with an Indian soul". Reliance is however not alone to board the IES. The Aditya Birla Group, A has already played its hand at commercial education with the Sarala Birla Academy in Bangalore and Vedanta Group has announced a large university near Puri in Orissa. If the corporate sector makes Education an important part of their business portfolio and strives to maintain high quality standards, the IES might see a real beneficial turnaround going forward. The affordability might still remain a question but then, it will at least pave way for having world class infrastructure right in the country. The migration of the student community to the west in the want of best of the class facilities might see a decline in time which might also help in reducing the Brain Drain.

According to Foreign Education Providers in India, a report on collaborative arrangements commissioned by the UK India Education Research Initiative (UKERI), there are 143 Indian institutions and 161 foreign education providers engaged in collaboration. The total number of collaborations is 230. Each collaboration may have one or more than one program delivery and the total number of programs that are collaboratively delivered is numerically 641.....

The report goes on to say that the maximum number of collaborations is taking place in the field of management and business administration. Out of the total of 641 programs, 170 (26.5%) collaborative programs are offered in this field.....

Current Status of Foreign Universities in India and Its Impact on Indian Economy

The foreign universities bill was approved by the union Cabinet in March this year (2010) and was introduced in the Lok Sabha on May 3, 2010. Foreign Universities outside India play a large role in the Indian higher education scene. They attract many thousands of Indian students to their campuses each year. There are many American schools that have branches in other countries. This helps to establish partnerships with educational institutions around the globe, offering opportunities for students who want to study at home or abroad, while still getting the valuable education they desire. There is a healthy list of international universities in India that have their base in the United States, and in time, there may be even more that will be built.

List of foreign universities in India:

- Virginia Polytechnic Institute and State University (Virginia Tech)
- Georgia Institute of Technology (Georgia Tech)
- Schulich School of Business
- Boston University
- Middlesex University
- Duke University

(source: India Today, May 2018)

Another 8 universities from abroad especially from united states of America want to set up their campuses in India (Times of India, 5 Jan, 2019). The bill, once passed, has the potential to create the same impact on India's higher education sector as the economic liberalisation and deregulation in the 90s had on India's industrial sector.

The bill is unclear whether reservation of seats for OBC and SC/ST students would be an eligibility criterion for the foreign educational institutions to be notified as Foreign Education Providers (FEP).

The FEPs would be treated as Indian private universities and allowed to set their own fee and would be exempt from reservations. Also, one of the concerns expressed in the monograph is the imposition of the condition that no repatriation of profits will be allowed might act as a deterrent for the foreign universities to enter India. Without a possibility of taking back its invested capital, a foreign institution might simply choose to not enter the Indian education sector.

Opportunities

- With Indian economy growing the income level of the people is also rising.
- Since demand is going to increase exponentially, because India has a young population, there is need to increase the institution of the supply.
- Foreign institutions attract many thousands of Indian students to their campuses each year, so there lies an immense potential and opportunity if foreign education would be made available to Indian students within India.

Challenges

- Foreign universities are collaborating for research, but are hesitant to set up campuses in India because the Indian government regulations restrict aspects of administration including fees, salary and research grant.

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- As India already is in a dearth of skilled faculties so it would be interesting to observe how these foreign universities will meet up the demand for skilled faculties here.
- Again retaining skilled faculties is another chapter. Every organization is made up of people and utilizing their services, developing their skills, motivating them to enhance their levels of performance and ensuring that they remain committed to the organization are essential for the accomplishment of organizational objectives. If this is true for all organizations there is no reason why educational institutions should be an exception. The difference between a business enterprise and educational institutions is rather minute, in the sense that the objective is commercial in case of the former, while it is the quality of student output that is of concern in the latter. Thus motivation of the faculty as a performance driver assumes critical significance.
- The challenge before the foreign universities would be how to blend traditional Indian Management concept with modern competitive strategic environment.
- India is a culturally diverse country, so it would be interesting to watch how these foreign universities adapt themselves in this condition.
- The big concern for foreign universities interested in recruiting students or building partnerships is--how to find the best fit partner and how to ensure that they are not partnering with an institute with a history of unprofessional practices? This means that even if the bill passes there will be several execution challenges and one has to tread cautiously.
- Foreign universities need to probe about the degree of professionalism adopted in the administration and teaching at the partner institution.

So far as people's perception regarding the topic is concerned, it has been found that they have different opinions on the subject. Few of the respondents commented on the status of higher education and inroads of foreign universities in India as follows.

- The universities that are going to be set up at all in India should have an Indian ecosystem. So we should build institutions which are equivalent to those outside the country.
- Allow quality to come into the country, because there's a huge gap between supply and demand. And since demand is going to increase exponentially, because India has a young population, we need to increase the institution of the supply.
- All stakeholders – industry, private sector, foreign universities and public partnership should have a chance to part and to regulate these to ensure that quality institutions come in.
- There are fewer regulations today. But it must be ensured that quality institutions come in.

- Foreign Universities will have to go through an accreditation process and can teach what they want, in the manner they want and there will be no interference in those processes.
- People are of the view that India should build institutions which are equivalent to those outside the country.
- Equally important is the fact that we need heavy investment from private in school education.
- The world is a global community today and as we are watching the rest of the world, we are being watched too and the quality of education in India is something the global community is starting to understand. Gone are the days that people believed that a Bachelors Degree in India is equivalent in quality to a degree you earn in the US.

Conclusion

The crux of managing any institution lies in appropriate and accurate decision making. Today's educational institutes, more particularly those providing professional courses are facing multifarious challenges due to the ever-changing regulatory requirements, student's expectation, environmental concerns, economic conditions and technological advancement. In this fiercely competitive world, only those institutes will survive and prosper which will continuously evolve and innovate by restructuring their key areas like curriculum, infrastructure, laboratories, library and motivating faculty to take up research activities which put life into teaching without which teaching gets reduced to just plain vocal delivery of facts and figures.

Another issue may be to explore the advantages as well as disadvantages of opening up Indian doors to the foreign educational institutions. Some put forth their concern that inroads of foreign universities may be a threat to domestic education providers. But if proper regulatory mechanisms are in place, those will not pose a threat to domestic education provider. To be more realistic, it seems that second-tier institutions will be more inclined to earn revenue from overseas market rather than excellence in knowledge. But many Indian students, who opt to go abroad to pursue their higher studies do take admissions in second tier institutions will not venture out if they can get admission in campuses of these institutions back home. Again foreign campuses in India may, in fact, help India emerge at least as a regional education hub. With improvement in higher educational institutions, India will be able to attract students from other countries as well. But still it remains to be seen whether India gain something from these foreign universities contemplating to set up their campuses in India and commitments in higher education.

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About the Author:

Dr.SampurnaBhuyan, sampurnabhuyan@yahoo.com

Assistant Professor, Department of Business Administration, Girijanda Chowdhury Institute of Management and Technology- Guwahati, Assam

The Author is working as an Assistant Professor in Girijananda Chowdhury Institute of Management and Technology and has 13 years of working experience in the field of research and teaching. The author has published several research papers in the field of economics, education and management.