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NIEPA Cell on WTO: GATS-Education Services

TRADE IN EDUCATION SERVICES UNDER WTO REGIME

View Points & Key Suggestions

Higher Education Unit
National Institute of Educational Planning and Administration
17-B, Sri Aurobindo Marg, New Delhi - 110 016
December 2004

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Foreword

The Ministry of Human Resource and Development has constituted a Technical Committee to discuss various aspects of Trade in Educational Services under WTO regime and to formulate position of India. A nodal agency has been setup in NIEPA to facilitate the deliberations of the meetings and to provide research input relating to the above issues. There has so far been 21 Technical Committee Meetings relating to the various aspects of Trade in Education Services under WTO regime.

The present document "View Points and Key Suggestions on Trade in Education Services under the WTO Regime" contains the deliberations of some of these meetings. The views that have emerged are a part of a wider consultative process in which Vice Chancellors of Universities, Directors of IITs, IIMs, Eminent Experts, Chair Persons and Vice Chair Persons of State Councils of Higher Education and Representative of Ministry of Human Resource Development have time to time given their view points and suggestions. The document contains a summary of views and suggestions on Law Education, Technical Education, Management Education and General Higher Education including rural institutions of Higher Education. Besides it also contains the views on the movement of natural persons under GATS

I hope the viewpoints presented would provide the background for understanding India's stand on the opening of higher education. Needless to say that much more research input is necessary for taking a final decision on the issue.

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NATIONAL LEVEL MEETING OF VICE-CHAIRPERSONS OF STATE COUNCILS OF HIGHER EDUCATION, VICE-CHANCELLORS, AND EXPERTS ON TRADE IN EDUCATION SERVICES UNDER THE WTO REGIME

Venue: IIC **Date: 11th September, 2001**

View Points and Key Suggestions

Introduction

In order to discuss the various aspects of Trade in Education Services under WTO Regime and to formulate position of India, a Technical Committee has been constituted and a nodal agency has been set up in NIEPA. A background paper on this subject has also been prepared. In order to have wider consultation and views, a meeting of Chairpersons and Vice-Chairpersons of State Councils of Higher Education, Vice Chancellors of Universities, Director of Indian Institute of Technology (IITs), Indian Institute of Management (IIMs), Eminent Experts and representatives of Ministry of Human Resource Development (MHRD) was held on 11th September, 2001 at India International Centre. Fifty-five persons participated in the meeting.

Inauguration

The meeting was inaugurated by Shri M.K. Kaw, Education Secretary, Ministry of HRD. In his inaugural address, Mr. Kaw emphasized that primary, secondary and adult education is the responsibility of the Government and therefore, cannot be opened for foreign investment and participation. Under consideration, therefore, is higher education only. Here also care has to be taken to safeguard country's interest. In order to encourage foreign students to study in India, we have increased the quota of seats for NRI/PIO foreign students in professional colleges by 15 percent. We have also launched a website through Ed.Cil to popularize the higher education outside India. He also said India should exert its utmost to ensure that our accreditation and equivalence bodies are accepted internationally. He further said that, in order to be dynamic, we should continuously reform curriculum, make it more flexible and modular. We should also integrate formal, non-formal and open university system. This, he said, would call for significant change in management system. He also hoped that India will accept this challenge and will be ready to interact with the rest of the world.

Earlier Prof. B.P. Khandelwal, Director, NIEPA, welcomed the Secretary, MHRD and delegates. He highlighted the issues and tensions arising from this new concept of trade in education. Mrs. Bela Banerji, Joint Secretary, M/HRD, in her introductory remarks said that if a negotiation in Education Services takes place, then India should have well informed national position in place. She said present meeting is a step in this direction. Prof. G.D. Sharma, Senior Fellow & Head, Higher Education Unit, NIEPA, gave background & highlights of the meeting. He emphasized on open and free

deliberations on this aspect. He also stressed for an intensive sector study to formulate the policy options.

Presentation on Theme

Trade in Services: Shri R.P. Aggarwal, Joint Secretary, Ministry of Commerce, presented the details of WTO arrangements for trade in services. He spelt out basic concepts, procedures and developments in trade in services. He explained the concept of MFN, National Treatment and Economic Needs and Modes of trade namely; Cross Border Supply, Commercial Presence, Consumption Abroad, Presence of Natural Person. He also highlighted the commitment made in service sector and emphasized the voluntary nature of request offers. He said that there is no compulsion or bindings on the country to commit the education sector. He, however, emphasized that as we are signatories to WTO, it may be important to workout the areas which are of national interest for trade in education services. On this aspect, he said, we would be guided by opinion, views, study reports, analysis of experts and views of Ministry of HRD.

Trade in Educational Services: Prof. G.D. Sharma presented the concept of Trade in Education Service. He spelt out five levels of education sector considered for trade namely, primary education, secondary education, higher education, adult education and other education. He also pointed out the number of countries, which have made commitments. He shared quick findings about the extent of preparedness of India in the Sector of Higher Education. In the end, issues, namely; political economy, economic efficiency, centre-state relationship, academic aspects and sector competitiveness were highlighted by him for further discussion.

Deliberations

The sessions on deliberations on the subject were chaired by Prof. M. Anandakrishnan, Vice-Chairman of T.N. State Council of Higher Education, Prof. Pabitra Sarkar, Vice-Chairman, W.B. State Council of Higher Education and Prof. Arun Nigaveker, Vice-Chairman, University Grants Commission respectively. The views expressed by delegates may be put in the following headings:

- Level playing field,
- Nature of education services,
- Demand of higher education abroad,
- A thorough analysis of advantage and disadvantages, and
- Socio-cultural and economic implications of trade in education.

Level Playing Field: A good number of delegates expressed their views that there is a need for internal liberalization by way of allowing universities to tie up, set up their campuses, within and outside the country, providing support for quality infrastructure and other required support to attain a level playing field, before the system is opened to international competition. The issue of level playing field in terms of enhancing quality of programmes of studies, quality of infrastructure, teacher training and other related aspects was stressed by most of the delegates.

Nature of Education Services: It was also pointed out that in India and most of the countries education is social/merit good. Public exchequer supports the cost of education. Students pay a nominal fees. Many states in India have made school education free. The private formal education providers also work under charitable trust or non-profit making societies. It was pointed out that recently non-degree and non-formal private providers have come up into existence and these work under Companies Act. These are able to provide education for profit. But their number is relatively small. When we are thinking of trade in education service, one has to clearly spell out the aspect of pricing & trade. Some national and state level clarification would be needed on this aspect.

It is further stated that in USA, there are private universities, but India does not have one. In UK, there are public institutions, but they are allowed to set up ties with private companies. These aspect needs to be carefully examined in the above context.

- **Demand of Higher Education Abroad:** Many delegates pointed out that there are many countries seeking India's help to set up higher education institutions/campuses abroad. There are many countries requesting India for (a) English and Foreign languages programmes, (b) Management Education, and (c) Technical Education Programmes. Many students are interested in Indian arts, literature and culture. India needs to open up and strengthen itself to provide education to those who are wanting it. Whether this could be done autonomously or under WTO regime, needs to be studied carefully. However, areas where India has an advantage and can offer its expertise to other countries should be strengthened and allowed to be marketed.

  Thorough Analysis: It was stated that the available data/reports are inadequate to assess advantages and disadvantages of Trade in Higher Education. There is a need to gather data on various aspects particularly focusing various modes of education at various levels. This is particularly needed at the higher education level. There is a need for an in-depth sector study to find out strength and weaknesses, surplus and deficits before the system of higher education is opened to global competition or any negotiations are entered with WTO. The thorough study should specifically focus on:

  - Technical Education
  - Management Education
  - Law Education
  - General Higher Education

  Socio-Cultural Implications: A good number of the delegates also pointed out that the socio-cultural implications of opening the education system globally and making education service for profit needs to be carefully examined. Even making it a full cost paying service has caused social and cultural trauma in many countries including developed countries. Making open to world competition with high cost of education might cause further social-cultural problems. These may be un-manageable in the developing countries and particularly in India. Global competition, full or profit cost pricing of education has several socio-cultural implications and may adversely affect the Constitutional obligations of equity. Therefore, these aspects need to be examined carefully before formulation of

response of India on this aspect.

- **Session Chairman's Remarks**

  Prof. Anandakrishnan in his Chairman's remarks said that it is good that we are discussing the issue in time. Such discussions should also take place in different regions of the country. Concrete proposals should be worked out and discussed. Professor Pabitra Sarkar in his Chairman's remarks said that before taking any decision a thorough analysis of pros and cons be worked out. This should be done keeping in view the India's socio-political and cultural situations and the status of development of higher education in India. Prof. Arun Nigavekar in his Chairman's remarks said that there are several areas where India has strength. What we have to ensure is to support the universities and provide them a level playing field.

  Summing-up Remarks

  Prof. Sharma in his summing up remarks said that the following seems to have emerged: (a) India should work-out plans and strategies to provide level playing field to institutions of higher education; (b) identify the areas of strength where India has advantage; (c) work out detailed sector study with pros and cons; (d) work out socio-cultural and economic implications of opening of the sector of education service; and (e) our response should be well thought-out and effectively articulated with proper safeguards/limitations.

  Proposed Actions

  Towards this end it was decided that:

  The delegates may like to discuss this issue with their colleagues in the universities or hold similar seminars/meetings at regional level. MHRD may be approached for supporting regional seminars/meetings. Outcome of the Seminars/meetings may send to NIEPA.

  As suggested by Mrs. Banerji and delegates following Sub-Technical Committees are constituted to discuss the issues in depth:

  - Technical Education,
  - Management Education,
  - Law Education, and
  - General Higher Education.

An in-depth study of the sector may be carried out at the earliest.

The list of members is given in **Annexure I.**

LAW EDUCATION GROUP ON TRADE IN EDUCATION SERVICES UNDER WTO REGIME

Venue: Chennai **Date: 11th February, 2002**

View Points and Key Suggestions

- The group unanimously emphasized that more focus should be made on capacity building in "Legal Education".
- However, India needs some time for accomplishing this task and therefore it should not rush to enter into some agreements.
- The area for capacity building should also be identified.
- It is time for the Indian Law Schools to strengthen the content of Legal Education system in terms of syllabi, faculty and other infrastructure.
- The mutual recognition agreements should also not be pushed ahead; we need time to develop Legal Education before we enter into this.
- As a prelude to this, the law school should have joint programmes with foreign Universities.
- If movement of natural persons is to be agreed, it could be made possible only after the stated objectives of Article IV of the GATS that is building capacity through Mode I – request commitment, is accepted. If at all India as to make initial offers, it should be in respect of Mode I and IV that too partially with limitations.
- The Bar Council of India should be associated in fixing standards.

The list of members is given in **Annexure II.**

TECHNICAL EDUCATION GROUP ON TRADE IN EDUCATION SERVICES UNDER WTO REGIME

Venue: AICTE **Date: 20th February, 2002**

View Points and Key Suggestions

Prof. G. D. Sharma made two presentations on the various issues related to Trade in Education Services under WTO regime. Discussions followed each of the presentations divided in time by lunch. Discussion was participatory as each delegate not only presented his viewpoint individually but also participated actively in the group discussion. During the discussion period some key issues were raised, and proposals, suggestions, and observations were made.

Some of the key suggestions, proposals and viewpoints made in the meeting are given below:

- India should not open up in the areas of training, testing etc. Training is very broad in domain. It goes beyond education as it covers areas like intelligence, psychological, product, pilot training, business etc.
- It should not be the case always that only developed countries do capacity building for the developing countries. Some of the developing countries also possess some kind and level of expertise in certain areas which then can be used for capacity building by other developed countries. Prof. Raju suggested that India is strong in technical education and some branches of engineering education can compete on foreign standards. IITs and RECs can try to add value to their existing strengths by aggressively marketing their knowledge in both developed and developing countries. India is well recognized in the world in areas of computer science and software technology. India succeeded in doing a good amount of value addition in the area of software technology. But this kind of success has not been repeated in other fields i.e. pharmaceutical research, and biotechnology where India has enough potential. Here comes the importance of what Dr. Eqbal termed maneuverability of Indian talent in trade in education services. It should enhance its presence in these areas in more and more countries abroad. Prof. Eqbal cited the example of TRIPS and Indian Pharmaceutical industries where some amount of progress has been made though the going has never been a smooth one. He suggested that India needs to be very well guarded in its decisions concerning trade in higher education and that to particularly in technical and engineering education. It should develop a detailed plan covering minute aspects of trade in education services. India is also very good in biotechnology and this area is getting good Governmental, and institutional patronage in the country. Higher learning centers like JNU,

Center For Biotechnology, and some universities are recognized in this area. They can market their knowledge abroad by taking appropriate means.

- Prof. Mehta cited the example of India's commercial presence abroad in the area of accountancy. He raised certain issues i.e. Technical standards,time frame of the courses offered, norms and standards of the service, general provision, and transparency concerning trade in technical education and sought for formalized and agreed upon criteria to follow regarding the issues.

- Members can create an accreditation body which will look after the quality aspects of the education services transacted. This body can handle issues concerning mutual recognition agreements (MRAs) on degrees and certificates granted in a given country. Institutions/and organizations which are accredited in their own countries should only be allowed to try to make transactions in educational services with other member countries. Prof. Kehar Singh raised doubts over the quality of teachers coming to teach in India as part of export of education to India. He agreed that IITs can initiate in a good manner India's presence in foreign countries in the areas of engineering and technology by skillful setting up of tie-ups, joint ventures, collaborative research, and commercial presence. There should be certain combined effors by the Government, IITs, RECs, And engineering colleges of reputation to generate economic benefit abroad for our talent in science, technology and engineering. There should be quality control and evaluative procedures regarding foreign degrees offered in India. Issues of technical standards, norms, time frame for issuing diploma or degree etc. should be made clear in meaning and implications. The operating strategy of foreign education in India should follow a well articulated and transparent method which can be easily understandable to the general public. It should not contain ambiguities, wrong information, and confusion regarding its structure and meaning.

- Prof. G.D. Sharma said that India has strength in engineering and technology, but it is not able to transform this strength into economic value/advantage to its favor. India should develop mechanisms for this transformation to take place so that it can make its abilities globally competitive.

- As India has a good standing on professional education, it should make more out of it (value addition). GATS has not been discussed in educational institutes. PG student should be made aware of the implications of GATS. Law universities in India should have course curriculum, seminar, and discussions in areas related to GATS so that awareness on the subject will proliferate. Purposes of exporting and importing education should be well spelt out. There need to be a discussion regarding the impact of WTO on higher education in relation to employment generation.

- India is yet to establish equity, social justice in higher education in the country. Higher education has not reached the whole of India till now. Public fund for higher education is coming down in India. Around 90% of

education are public funded. In case of higher education only 1% of it is privately funded. But in developed countries situations are completely different.

- Smart mechanisms should be evolved regarding maneuverability of GATS issues in India. The transactions in GATS should follow a give and take policy. There should be reciprocity in the offering of opportunity by member countries. India should not open up its whole higher educational system. In certain areas India needs foreign expertise. India needs to identify the areas with thinking of maneuverability as a strategy. It should follow a scientific, rigorous and systematic marketing of knowledge.

- India has not gained much from opening up in other sectors. Precautions should be taken that this will not be the case in education. It is the case that not much of advanced technology in coming in India through foreign penetration in educational/ research services. State educational councils should be consulted with regards to GATS issue. Government needs to develop a clear communication system in matters of educational policies and laws. India should follow different strategies while dealing with different countries. India should develop a clear policy framework to face the GATS issues. USEFI and British Council like entities are necessary. These organisations are rich and reliable sources of information and their services are available at various places in the country. They are single window mechanisms and also provide communicational clarity to the academic community of India. India should have similar kind of outfits in countries where it has larger interests of doing trade in education services. These outfits should represent Indian higher learning centers and their export abilities in education services. They can highlight India's progress in science and technology in foreign countries.

- Protection should be used as a strategy. India can consider the standpoints of South East Asian countries. India even can lead a South-South dialogue. Asymmetries between developed and developing countries should be considered regarding policy issues in GATS. Some foreign counties do not allow us to open our educational institutes in their countries. Some sort of specific collaboration can be tried in particular sectors, i.e., computing, mathematics etc. The obstacles India faces while entering into foreign countries in the area of education should be well articulated in meaning. It should be considered while making agreement on the multilateral and bilateral negotiations (Indo-German, French, etc.). India should take quick decisions while dealing with foreign parties coming to India in educational services.

- Indian higher learning centers should take care to add value to the foreign students studying in India. Foreign students should be provided with good living conditions, hostel and food and internet facilities.

- For many developing countries including India, the most important source of export would continue to be mode 4 relating to "movement of natural persons". India has interests in seeking greater market access for its

professionals and skilled labour in mode 4 because of its surplus trained and skilled manpower. It can use mode 4 to export its talent in the areas of science, technology and engineering education. Majority of the experts present agreed that India should make use of the various facilities/opportunities available in mode 4 (horizontal movement of natural persons) as this mode suits more to India's existing strengths and preparedness. In this regard India can try to garner support from other developing countries.

Discussions in relation to the different items in the questionnaire that has been sent to various universities/higher learning centers for their opinion took place towards the end of the meeting. Some of the important suggestions and responses are given below:

India loses out in terms of quality, policy and strategy regarding to its export of education. India should support a creation of central WTO quality assessment/ evaluating body which will provide quality and standard approval to the member country's educational units particularly when a member country wants to export education to other countries. Certification can be sought for an entire discipline/department/institute/university/laboratory or field of study etc. India should prepare a supportive provision for less developed countries. India should bargain WTO relaxations to use mode 4 as India can channelise its capabilities through mode 4 better than it can through other modes. India can try for exporting technical education through presence of natural persons. It can go for sector wise bilateral negotiations with member countries.

India needs to evolve special categories of terms and conditions in multilateral terms while dealing with SAARC, Non-aligned, and Southeast and Central Asian countries. There should be some justified amount of profit motive in India's trade in education. Repatriation of money also is necessary for the growth of science and technology research in the country. This way India's financial burden on these accounts will be reduced. India should export quality education with mutually agreed evaluative criteria and organizations. Developed countries should be given permission to trade in education with India in selective areas where India needs their quality intervention. Initially India should make offers with regard to mode 4 (presence of natural persons). Indian higher education system still needs Governmental nurturing for its overall growth. This will continue for some more years and it can be phased out gradually when institutes can generate their own money. MFN (Most Favored Nation) can be worked out at the level of SAARC, Non-Aligned , and Southeast Asian countries.

India should not accept some of US's proposals like trade in training, testing, etc. A proper impartial analysis of US observations is necessary. US proposals which are one sided and beneficial to it only should be strongly opposed. India should make strategic use of Economic Needs Tests (ENT) against services offered by US. India can accept US proposals which value common interests. It should welcome private involvement in trade in education to the extent it adds value or enrichment to the existing knowledge system in India. Developing countries including India should make strategic use of the Horizontal formulae. They should participate in it according to their

sector/area wise strengths and capabilities. They should not participate in it under any pressure.

Government Of India should evolve a clear policy framework for trade in technical education through which export and Import of it can take place. This policy framework should be flexible enough to accommodate contingent issues and it must involve experts from various technological, engineering, and research institutes of repute, along with policy experts and scientists from Government departments i.e. Science and Technology, Industry, Commerce etc.

The committee agreed that India should take quick decisions on its stance on various issues regarding trade in education services. The final decision should be based on various issues genuinely related to socio-economic-political development of the people of the country. It should be visionary in nature. More awareness regarding the subject should be created among people and a consensus should be brought through discussion and dialogue. Experts and intellectuals from different spheres of education need to be consulted for the purpose. NIEPA'S role as a leader in this context was highlighted.

The list of members is given in **Annexure III.**

HIGHER EDUCATION GROUP ON TRADE IN EDUCATION SERVICES UNDER WTO REGIME

Venue: NIEPA **Date: 26th February, 2002**

View Points and Key Suggestions

Prof. G.D. Sharma made presentations to introduce the topic of the meeting to the expert committee. The broad objectives of the meeting were to discuss: (a) the request for commitment with regard to higher education; (b) horizontal commitment for movement of natural persons; and (c) recommendations which can be made on both (a) and (b). Then each member present made their individual responses to the subject of discussion and then interactive group discussion followed. Some of the key suggestions, ideas, and observations generated during the discussion are outlined below:

- Professor Nigavekar, chairman of the session highlighted the issues pertinent to trade in higher education. He said that private higher education is small in volume, available in limited disciplines and in many cases lacks authenticity and legality. Higher education is a big issue for the Government. Smart mechanisms should be developed to make it available in all the parts of the country. Majority of people in the country should be brought to the framework of education. Rural areas should have access to higher education. Higher education in rural India is different than that of urban India. Subsidy should perform its legitimate purpose. Education should be made the main road to development. A central authority should be engaged in organizing educational activities. Currently there are 9 million students in India and majority of them (87%) are in basic science, art, commerce. Education must possess access, equity and social commitment. Higher education should properly be linked to political economy of the country, economic efficiency, center-state relations, etc.
- Prof. Kaushik emphasised on what should be the mechanisms through which India can access business opportunities for its talent in education and suggested that India should venture out in the areas on which it has command. He also said that documentation of information relating to various branches of knowledge is not done properly. In fact, it is very poor in India. He cited the example of good performance of Indian economists in foreign universities. India can seek their help for marketing abroad, Indian talent in that field.
- Prof. Kamal also suggested that India should go for bilateral collaboration in the subjects where it has gained expertise. He warned that trade in education services under WTO regime might result in economic encroachment in the form of academic colonialism. This move will also affect India's economic sovereignty as well as culture. GATS is designed to be a new weapon in the hands of US and other developed countries to serve their economic and political purposes better rather than emancipate the developing and under developed countries. India is not ready

for this kind of trade as it is yet to provide education to people under poverty line at home. First, education should be linked to socio-economic-political development of the people then India can afford to trade on it. There should be a central authority to create and safeguard the authenticity of education in the country. Dr. Jakob said that while taking decisions on trade related matters in education, India should consider issues like: (a) benefit of our country, (b) cultural values, and (c) infrastructure facilities available.

- India needs to open up the education sector. Dr. Arya said that India is strong in mode 4. In mode 2 outgoing students are more than foreign students coming to India. In mode 3 USA is strong. India should therefore concentrate on mode 4 as India cannot compete in other modes. He suggested that an assessment should be made on how many Indians going abroad to study come back to join the economic processes of the country. Dr. S.C. Sharma was worried that even if more than 30,000 Indian students are studying abroad seldom anybody comes back to enrich the country's system. He suggested for some artificial restrictions to be put within the country. He also raised the issue of the new IPR law and its implications for trade in services. Domestic educational system should be enhanced qualitatively. India should use education as a profitable commodity to earn foreign currency. It should make its educational services available not only in developed countries but also in developing and underdeveloped countries. India needs to assess the economic values of its own strengths. India should have a clear policy on higher education. Prof. Rupa Shah said that Indian educational system is not a sound system. Growth has been restricted from within because of unhealthy politics. The system lacks internal synergy. She also suggested that proper demarcation should be made among various aspects of higher education. There should be competition among the higher learning centers within the country. Prof. S.C. Shah said that a lot of places/regions in the country are isolated from the area of higher education. Governmental agencies have not done enough in promoting higher education in those places/regions. India should not always think to market its educational capabilities in the developed countries like US, and UK. Rather it can try to export education to more than 120 developing and underdeveloped countries. India needs to respect the economic value of its own knowledge system. The syllabus structure of Indian educational system needs to be comparable to that of foreign countries. Particular course, department or discipline should be accredited, not the entire university. Internal competition and benchmarking should be established and promoted in education in India. The good performing universities should be provided with all sorts of facilities to grow.

- Prof. Kapil Kumar strongly condemned the entire edifice of India's preparations for joining trade in services under WTO regime. He said that the decision to join GATS in education and the successive arrangements are instances of political wrong doings which will definitely harm the equitable developmental causes of the country. He complained that sufficient number of experts/concerned people across the fields/areas of knowledge are not consulted. Only a handful of people, form a network and take most of the decisions. Even Indian learning centers do not pursue healthy competition among themselves as far as quality and standards of education are concerned. Government has failed to monitor the quality of education made

available in India by foreign institutes/agencies. Government does not have a sound policy on the structure of syllabus in higher education. Even it has failed to curtail corruption at the university level. He suggested that a balance sheet should be prepared keeping note of the minute details concerning benefits-losses, strengths-weaknesses in relation to India joining trade in services. It should be done in a politically unbiased manner taking into account democratic consensus from people from various strata of education and profession. Prof. Sree Kumar suggested that India should study the market mechanisms related to trade in educational services before joining GATS in education. It can take two more years to prepare for joining trade in education. Prof. Talgiri suggested an innovative way of doing trade in education services which he termed as providing of educational services in a foreign country. He said that the disciplines in which India is strong it could play the same game as the developed countries are doing with India. He cited the example of CIEFL exporting English to foreign countries. The first requirement is to build world-class talent in a given field. India has that kind of expertise in areas like, Information Technology, Mathematics, Yoga, Ayurveda which can be marketed all over the world. Joint degree programs can be worked out between top Indian and foreign universities/institutes.

- The main objectives of the countries willing to export education to India is financial benefit and repatriation of money to their own countries. Foreign sources are coming with clever strategies to trap financial gain from the ill-structured educational system in India. Government should monitor what kind of activities foreign educational units are involved in.

- Government policies dealing with foreign presence in education in India are not practical and rational. Government should keep its control on certain core issues concerning higher education. Bottlenecks should be removed so that smooth transactions can take place between foreign parties and government. WTO suggests that trade brings development to developing countries. And trade in education will facilitate the developmental process. But India needs to look at various possibilities of this claim. It should also study the higher education system in countries like Germany, France, and Australia where the Government runs the system to a large extent. If a sound model is available, India can follow that. India cannot completely withdraw subsidies given to higher education as that will distance higher education from the reach of half of its population.

- India should generate value from its potentialities in educational services. It needs to possess competitive quality in various aspects of education. India should find out the causes of declining foreign students in India. There should be adequate collaboration between teachers, researchers, government agencies, industries etc. so that dynamism and vibrancy can happen to education. Sectoral competitiveness in higher education should be promoted more to gain international entry. Strengths and needs of India in the area of higher education should be clearly articulated and accordingly policy changes should be made to improve quality of sectors not doing well. Access of reciprocity should be indigenously built. India should make bilateral advancement in the areas where it is strong.

- WTO promises should not be taken at their face value. India should check if it has the receptivity and feasibility for those promises. India should be well guarded against academic colonialism. Cultural values need to be taken care of while dealing with WTO guidelines. India should take little more time to take the final decision and should join WTO education services after being fully prepared.
- At the moment it seems India is not ready for international competition in education. India can provide selective permission to foreign presence in higher education and that too in selective areas. India can try to market its capabilities in the areas of yoga, Ayurveda, Indian philosophy, and knowledge systems indigenous to India.
- Developed countries press for greater liberalization in mode 3 relating to commercial presence as they are interested in providing market access for their capital. For India the most important source of export in education would continue to be mode 4 relating to "movement of natural persons". The trade-off in these negotiations are bound to be cross-sectoral with India seeking market access mainly professional service-sectors and others demanding greater market access in infrastructure sectors like Financial Services, Telecommunication services, Transport Services, Distribution Services, etc. India should put in its proposal to include commitments on movement of persons in specific services where it is strong i.e. teachers and researchers both at the secondary and higher education level including teaching at university level. There should be free movement of natural persons engaged in education services.

Discussions in relation to the different items in the questionnaire that has been sent to various universities/higher learning centers for their opinion took place towards the end of the meeting. Some of the important suggestions and responses are given below:

India should support a creation of central WTO quality assessment/ evaluating body which will provide quality and standard approval to the member country's educational units particularly when a member country wants to export education to other countries. Certification can be sought for an entire discipline/department/ institute/university/laboratory or field of study etc. India can open up in testing services in a phased manner for which it can buy out a lead-time of few years for preparation. India's reputed testing services such as CAT, GATE, JEE, NET and others must be upgraded and modernized to compete with that kind of services of US and other developed countries. These services can be marketed in foreign countries. Education and training services of IGNOU, IITs, IIMs, and some universities in India are internationally competitive. In secondary education also India can compete with foreign countries in another few years. But initially India can join trade in Higher education only. India looses out in terms of quality, policy and strategy regarding its export of education. For India improvement in the educational infrastructure is of great importance. Top Indian educational institutes should be given Governmental policy support to market their abilities abroad. India can enter into bilateral and multilateral negotiations for the reciprocal recognition of its degrees and certificates in foreign countries. There should be removal of non-tariff barriers in the field of educational services which Indian students are facing currently.

India should prepare a supportive provision for less developed countries. India should bargain WTO relaxations to use mode 4 as India can channelise its capabilities through mode 4 better than it can through other modes. India can try for exporting technical education through presence of natural persons. It can go for sector wise bilateral negotiations with member countries.

India needs to evolve special categories of terms and conditions in multilateral terms while dealing with SAARC, Non-aligned, and Southeast and Central Asian countries. There should be some justified amount of profit motive in India's trade in education. Repatriation of money also is necessary for the growth of science, technology and research in the country. This way India's financial burden on these accounts will be reduced. India should export quality education with mutually agreed evaluative criteria and organizations. Developed countries should be given permission to trade in education with India in selective areas where India needs their quality intervention. Initially India should make offers with regard to mode 4 (presence of natural persons). Indian higher education system still needs Governmental nurturing for its overall growth. This will continue for some more years and it can be phased out gradually when institutes can generate their own money. MFN (Most Favored Nation) can be worked out at the level of SAARC, Non-Aligned , and Southeast Asian countries. India can give special treatment to students of SAARC and NAAM countries without giving the same special treatment to others. MFN can also be encouraged on reciprocal basis with developed countries. Repatriation of money by countries exporting education to India should be decided by linking it to the Balance of payment (BOP) issues and RBI regulations.

India should not accept some of US's proposals like trade in training, testing, etc. A proper impartial analysis of US observations is necessary. US proposals which are one sided and beneficial to it only should be strongly opposed. India should make strategic use of Economic Needs Tests (ENT) against services offered by US. India can accept US proposals which value common interests. It should welcome private involvement in trade in education to the extent it adds value or enrichment to the existing knowledge system in the country. India can participate in joint ventures in electronic transmission of study materials. It has to follow a commercial approach in trade in education within some years of time in all sectors of higher and secondary education. It should not promote pure profit motive as the basis of foreign countries coming to India in education sector.

Developing countries including India should make strategic use of the Horizontal formulae. Horizontal formulae should not in any way curtail the flexibility in scheduling sectoral commitments. India should participate in it according to its sector/area wise strengths and capabilities. They should not participate in it under any pressure.

Government of India should evolve a clear policy framework for trade in education through which export and import of it can take place. Every one agreed that the issue of trade in education services is very important for India. Any decision taken will have far reaching effects on all aspects of nation's life.

The list of members is given in **Annexure IV.**

MANAGEMENT EDUCATION GROUP ON TRADE IN EDUCATION SERVICES UNDER WTO REGIME

Venue: IIFT **Date: 11th March, 2002**

View Points and Key Suggestions

Prof. Krishan Kumar made a presentation to introduce the topic of discussion to the expert committee. He said India needs to make requests for commitments regarding its stance on trade in services under WTO regime. He discussed issues like mutual recognition of qualification, standard and license barriers, restrictions on account of BOP problems, subsidies, Economic needs test, wage parity, and social security etc. He also said that though India is good in many things, it is not good in mass supply of goods or services. It lacks the mechanisms for doing so. He suggested that India should clearly communicate where it strongly agrees with the WTO parameters. It can make trade at graduation, post graduation, and doctoral level. Instead of looking at what other WTO members are going to do regarding this issue, India should take its stance true to its abilities and strength in the field. It can also try to include other services i.e. apprenticeship, training for career development etc. It can try to market indigenously prepared testing devices like CAT etc. It can also try to float distance education in management for which it has to develop guidelines and course materials.

Prof. Devi Singh emphasized that the real problem is not foreign institutes coming to India, rather how India can go out to sell its education abroad. India should build the reputation of its educational system. He also suggested that India should open up management services completely including testing and training services. If Indians can go abroad in these areas then they can bring money as remittances and also will reduce employment burden at home. India can start as a net exporter of education services/personnel to underdeveloped and other developing countries for the next 5-10 years. He also said that in India people are not ready to pay very heavy amount for a foreign distance education program. In 3-5 years time IIMs will be deemed universities, which might facilitate their attracting more students. Prof. Devi Singh strongly recommended commercial presence in management services.

Prof. G.D. Sharma said that the competition level of Indian educational system is good. India needs to prepare 100 institutions across various disciplines with international competitiveness. Proper national regulation should be there in education sector. He also cited the example of how the law sector is divided in their opinion about joining trade in law services with majority showing unprepared-ness for it. Dr. Rupa Chanda suggested that mode 3 (commercial presence) could be opened sector wise. She also said that it is possible that mode 4 (movement of natural persons) can be realized more, if properly linked to mode 3. She also suggested that India should not take decisions by looking at or assuming about decisions from other countries. India should decide its stance with the clear intention that it will develop its educational system in line with the international quality demands.

Discussions in relation to the different items in the questionnaire that has been sent to various universities/higher learning centers for their opinion took place towards the end of the meeting. Some of the important suggestions and responses are given below:

IIMs do not offer degrees. But countries where IIMs have shown business interests in management education so far demand degrees rather than diplomas. Government of India needs to deal with this problem. There is possibility that with offering of degrees in management IIMs can capture a big market (i.e. gulf countries).

It is necessary on many occasions to have local partner while exporting education. This can facilitate smooth operation in foreign countries.

All the experts agreed that there should be a kind of WTO policy level arrangements for mutual recognition of degrees by member countries. There should be wage parity for the services rendered by foreign professionals i.e. teachers, consultants, researchers.

Most favoured nation (MFN) is necessary but can be used with contextual priorities.

Social security is also important for persons providing services abroad for short period.

Institutes accredited at home can be allowed to participate in cross border supply of education services to other countries. Prof. Basu said that opening of cross border supply will benefit Indian students as some students instead of going to third rate institutes abroad can study in good virtual universities. India should develop skills before opening up in any educational sector.

Prof. Panduranga Rao drew attention to the fact that many universities in India are imparting knowledge through distance education within the country. So some amount of expertise has already been developed in this mode of education. This system can be widened to include other developing countries. He suggested in cross border supply India should take 2-3 years of time to prepare. But he also agreed with others that there is possibility that even after 2-3 years, India might need another few more years to prepare for this.

Most of the experts suggested that India should open up immediately its educational sectors and can go through learning experience through the process of trade in education. Because by delaying its decision, India will give a wrong signal to the world that it is not working towards right kind of preparation. Prof. Bose said that competition will develop quality in the sector. He showed confidence that Indian management education system is ready to open up and it is ready for the competition.

Prof. Ram Mohan Rao of IIM Banglore said that his institute is currently doing a number of collaborative research/study work with foreign universities. He suggested that export and import of education should go simultaneously.

All agreed that 1st mode is not clear and in 2nd mode (consumption abroad) developed countries are strong. Prof. Bose and Prof. M.R. Rao both agreed that management sector will do well in mode 3(commercial presence). While allowing

foreign presence India should safeguard matters of national importance. India can also try for obtaining foreign assistance for infrastructural building in management education sector.

Foreign institutes operating in India should have some competent Indian representatives in their board of management. Repatriation issues be taken care of RBI policies/guidelines.

India can provide subsidies to a foreign institution if it is involved in something of national importance. Purely profit making institutions need not be provided Government subsidies.

As an economic safeguard there should be policy that foreign parties doing trade in education in India should keep a sound deposit with the Government.

Since education of Indian students is involved important decisions by foreign units regarding course curriculum should have some consultation from proper Government authorities. The curriculum should have some components developed by Indian experts. Joint certification of degrees can also be worked out.

All the experts agreed that India has strength and ability in management sector. The big question that should be pursued is how India can establish a sustainable presence abroad in this sector. It is important now to discuss and workout a policy and concrete frameworks to deal with both export and import of education.

It is also important that management institutions start thinking of making their presence felt in global management education system, individually or collectively, in a economically viable way, soliciting support of Indian Industry so that it does not create any pressures on exchequer for developing necessary supportive infrastructure.

The list of members is given in **Annexure V.**

RURAL INSTITUTIONS OF HIGHER EDUCATION ON TRADE IN EDUCATION SERVICES UNDER WTO REGIME

Venue: NIEPA **Date: 13th March, 2002**

View Points and Key Suggestions

Prof. Briz Kishore chaired the meeting. Prof. G.D. Sharma made presentations on different issues related to trade in education services under WTO regime. He emphasized that trade in service sectors has become important from futuristic point of view. He also highlighted the fact that Indian agriculture universities are competent in providing education to foreign students.

During the last few years, it has been observed that the number of foreign students coming to India have declined. This trend has also been observed in the field of art, music and dance. Dr. Pankajam gave the reason that many internationally renowned artists have set up their schools abroad while most of them are operating from their adopted countries. In this condition foreign students are getting opportunities to learn Indian dance, music and arts in their own countries from highly acclaimed artists. Gandhi institute is also getting an offer to run its courses in foreign countries. Dr. Pankajam cited one difficulty of that foreign students face in Gandhi institute is that the institute does not provide non-vegetarian food to foreign students.

Better rural institutes in India can provide MBA in rural development, agriculture, and community development to foreign students. Duration of courses should be decided according to a rational criterion, which must be at par with such courses in foreign countries.

Prof. Briz Kishore maintained some important points about the rural sector i.e., heavy income imbalances in the rural sector, population growth, illiteracy, lack of infrastructure in health, hygiene, and education. He drew attention to the fact that currently 440 million people in India are living under poverty line. In the coming years 80% job would be in the services sectors. India does not have plenty of knowledge-based manpower, which is necessary for the growth of the rural sector. Skill based and knowledge based manpower are necessary for India. The basic aim is now to attain sustainability in accelerating the pace of growth in rural sector. Quality of life in the rural sector should be given a boost through proper provision of education. Trade in education services needs to be performed in such a manner that the rural sector would gain the maximum benefit out of it.

Dr. Thomas emphasised on the issue of bringing education to the entire rural sector. Developmental activities should always be given first priority. He said that India has not even opened locally. For everything Government approval is necessary. That hinders the process of capacity building in the rural sector. India would have to face

competition while exporting education to developing countries' because of developed countries' presence there.

Prof. Karunakaran emphasized that as there is a great demand for Indian culture studies abroad, India could export indigenous knowledge systems from Ayurveda to Yoga to foreign countries. He said that many states like Orissa, and Madhya Pradesh do not have good educational infrastructure. He suggested that all aspects of rural sector in India should be developed and modernized first before allowing trade in this sector. But this sector could be opened up gradually. He also said trade in education cannot be done purely in the profit-making basis, nor in MNCs' way of functioning. Dr. Karunakaran said that education should be used to nurture human resources in rural sector.

Prof. Anandakrishnan said that after 2005 a large number of developing countries would look towards India for leadership. India has one of the biggest educational systems. It has developed some amount of expertise in development of education in the rural sector. India should formalize its rural sector educational system before opening it for trade.

Sri Saxena said that trade in education services should not be solely profit oriented. It should involve more of value than money. India could do business in folk arts, sculpture, fine arts, traditional craft and design.

Prof. Briz Kishore suggested that selected NGOs could be made partners with educational institutes to provide higher education in rural sector. They can also be made conduits in exporting Indian rural technology and knowledge structures to foreign countries.

Discussions in relation to the different items in the questionnaire that has been sent to various universities/higher learning centers for their opinion took place towards the end of the meeting. Some of the important suggestions and responses are given below:

Prof. Anandakrishnan said that India could open up in higher education only, but not in testing and training.

Dr. Pankajam said India should try to benefit maximum for the rural sector education by joining trade in education services. It needs to develop a clear cut sectoral policy on education the way it has sectoral policies in industry and agriculture. India could take action against foreign institutes providing spurious education.

To facilitate movement of natural persons (Mode 4) GATS visa scheme should be adopted. Persons working under this mode should not be treated discriminatively by member countries. There should be some exclusion on MFN while dealing with SAARC or for other genuine reasons.

Prof. Anandakrishnan said that trade in education should help in Indian educational institutions to generate resources which will help towards further growth. He also suggested looking at good models of education in countries like US, Germany, Italy, and France. In US there are both profit making and non-profit making universities. In Germany, France, and Italy, state owns a bigger responsibility in education.

Rural higher education could participate fully in consumption abroad (Mode 2) and partially in cross border supply. For Mode 4 educational criteria should be kept minimum. So that skilled artist in folk art, pottery, jewelery design, dance education, music etc. could travel easily.

Prof. G. D. Sharma said that youth employment is possible more in rural sector in the form of transforming the sector to acknowledge and skill based one. India has strength in IT which it could integrate fully in education, training, and research in rural sector. Prof. Anandakrishnan said that higher education in rural sector needs to be professionalized. It needs total revamping. Then only it could export its knowledge structure to the world. He suggested that rural polytechnics and state engineering colleges should collaboratively develop engineering degree/diploma courses in rural engineering, rural technology development, rural energy, rural irrigation etc. which could also be exported to foreign countries. Rural technology education should involve a lot of field work. India could produce a lot of scientist-cum-field workers who could help in exporting expertise to other countries. India should employ Economic Needs Test (ENT) when necessary.

Successful models in rural sector development should be formalized and marketed abroad. Even rural higher institutes could take rural developmental projects to other countries. India's Stance on the issue of trade in education should be made according to its needs and abilities without adherence to any pressure from developed countries. Attempts should be made to see if Indian knowledge systems can benefit from the existing Intellectual Property Rights (IPR) laws and regulations which will bring better recognition and economic value to indigenous intellectual achievement.

The list of members is given in **Annexure VI.**

इंदिरा गांधी राष्ट्रीय मुक्त विश्वविद्यालय पुस्तकालय एवं सांस्कृतिक केन्द्र
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राष्ट्रीय शैक्षिक अनुसंधान एवं प्रशिक्षण परिषद् पुस्तकालय एवं सांस्कृतिक केन्द्र
पुस्तक क्रं.

शहीद शंकर गुहा नियोगी
पुस्तकालय एवं सांस्कृतिक केंद्र, भोपाल
(कमला सद्गोपाल पब्लिक ट्रस्ट का एक कार्यक्रम)

परि. सं. . . . . कूट सं. . . . . .

1. देय तारीख तक किताब न लौटाने पर नियमानुसार विलंब शुल्क देना होगा।
2. यदि किसी और को जरूरत न हो तो किताब दोबारा जारी की जा सकती है।
3. किताब पर कोई भी निशान लगाना या कुछ भी लिखना सख्त मना है। इस पर दंड का प्रावधान है।
4. किताब को गंदा करने, फाड़ने, खोने या देय तारीख के 30 दिन के अंदर न लौटाने पर उसकी जगह वही नई किताब या दुगुनी कीमत देनी होगी।

कृपया किताबों को साफ़–सुथरा रखने में मदद करें।

संपर्क

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NATIONAL CONFERENCE : 26-27 August, 2004

INTERNATIONALISATION OF HIGHER EDUCATION

Issues and Concerns

379.1.4

BACKGROUND PAPER

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Internationalisation of Higher Education:

Issues and Concerns

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BACKGROUND PAPER



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BACKGROUND PAPER

Internationalisation of Higher Education:
Issues and Concerns

- Sudhanshu Bhushan

A recently concluded Accra Declaration on GATS and the Internationalization of Higher Education in Africa caution against the reduction of higher education, under the GATS regime, to a tradable commodity subject primarily to international trade rules and negotiations, and the loss of authority of national governments to regulate higher education according to national needs and priorities. It further resolves that continued support for multiple forms of internationalisation in higher education, which bring identifiable mutual benefits, should be promoted. It also recognised commitment to the strengthening of national institutional capacity and to developing national and regional arrangements for quality assurance, accreditation and the recognition of qualifications. It exercises caution on further GATS commitments in higher education until a deeper understanding of GATS and the surrounding issues is developed and a more informed position is arrived at.

The above declaration perhaps reflects the uncertainty around the internationalisation of higher education triggered off by the GATS. Developments since NPE, 1986, have been on a very large scale. The emergence of education services under GATS and the emergence of private providers of education- domestic as well as foreign, in particular, have necessitated clear policy guidelines and regulations. There seems to be a tension between the objectives as set forth in the 1986 policy guidelines relating to access, equity and quality and the importance that it attaches to public provision of education and the recent trends of commodification and internationalization of education that may set up forces acting against those objectives. This tension may also get reflected in the policy of protection to public provision of education and various GATS articles that imposes free trade philosophy and approaches upon a country.

The objective of the National Conference is to discuss various issues that internal developments give rise to. Besides, the superimposition of external dynamics upon internal developments produces complex situations that demand the resolution of conflicts at

various levels. Discussions in the conference should resolve some such conflicts and provide further guidelines. The context of GATS requires that national policy and regulatory system should be in place. Besides the implications of partial opening should be fully understood before making requests and offers. The objective of the background paper is to throw various issues under 'Domestic Regulation' and competition. Mode wise implications of opening higher education are furthermore discussed. Against some of the points raised in the paper the parallel sessions may discuss the points and make recommendations to the Ministry of Human Resource Development. Section one discusses the requests and offers. Section two is devoted to the issue of competition and section three analyses the domestic regulation. Section four is on FDI and section five analyses mode wise implications.

Section- One

Requests and Offers

In the context of GATS in education services, some of the immediate responses have to be made. Since all the responses have long-term implications, the responses need to be made after a careful scrutiny. The objective of background paper is to precisely understand these long-term implications of committing higher education to free trade under GATS regime. It is also necessary to understand that if commitment has to be made what issues will have to be confronted and how should a country prepare to face these challenges? Related aspect is how much to commit so that potential risks are minimum and the potential benefits are maximized?

The immediate response that India has to make relates to requests and offers, as it is up to January 1, 2005 that countries can submit offers and requests until end of Doha round. Requests and offers approach is the special feature of GATS negotiation process. India may make requests to all 145-member countries (or only to some of them) to remove restrictions so that its export in education services can be facilitated. Similarly, other countries, too, may make requests to India to remove trade restrictions or for facilitating the trade in higher education. Similarly, India may make offers to open the higher education sector for import. It is quite natural that for any country whereas offers will be limited and be conditional, it will request other countries to be liberal in allowing market access.

The requests and offers approach as a strategy for negotiation suffers from limitation that it is burdensome. Besides, the developing countries do not have capacity to analyse all the 12 services sectors

thoroughly. It is also noted that the implications of allowing trade in higher education have not been thoroughly understood and explored. Hence there have been very limited requests and offers. Up till only 35 countries have tabled their requests in higher education. Since the requests are not public, the analysis is based on leaked versions and hence is not very authentic. To date only 8 countries have made their offers public on higher education. Analysis of US requests and offers show that while it asks moon form another countries by liberally allowing US to enter their markets, it puts severe restrictions in allowing other countries to enter US higher education market. Hence it shows asymmetry in requests and offers. Knight notes '...it is revealing and intriguing when one compares the limitation imposed by the US on access to their own market to the requests they make of other countries to remove the kind of barriers' (Knight 2003, p.8).

An interesting point is to understand that GATS allows sufficient 'safeguards' and also argues in favour of eliminating 'barriers' to trade in services. How to draw a line between the two? What may be seen as barriers from another country's perspective many very well be safeguards from domestic countries' perspective? For example, US in its requests to India, says, 'Remove ownership limitations on joint ventures with local partners' as it is a barrier to trade. However, from India's point of view it may be a necessary safeguard and hence the requests may not be worth considering.

The point to note is that indeed India should make as many barriers as possible, which it considers as necessary safeguards from national point of view. But if benefits to trade have to be derived it is also necessary that make limited offers, which are in the country's interests. It may also be desirable to derive maximum advantage by exporting education services in which India has comparative advantage. This means entering into negotiations i.e. making requests to countries to allow Indian education providers to operate abroad. The only caution that is necessary to take is that export of education should be a secondary concern. The overriding concern should be to increase access to higher education within country. Any body that is willing to enter into higher education should not be constrained to do so because of supply constraints. Only when there is excess national capacity, country should be prepared to export.

What then are the issues relating to requests and offers? The answer to these questions can be found out only after understanding its full implications. However, some approaches may be mentioned here.

1. One approach may be to 'wait' and 'see' and make offers only after fully understanding its implications.

2. Another approach may be to fully safeguard national interests and offer in limited way putting restrictions or limitations in the schedule of commitments. Further, liberalisation may follow only after fully satisfying that it is in country's advantage.

3. An extreme approach could be not to make any offer whatsoever in higher education. It is consistent with GATS agreement. However, proponents of trade argue that it is in country's advantage to trade rather than keep itself completely isolated and deny the benefits of increased cross border knowledge.

Section- Two

Making India's Higher Education Sector Globally Competitive

Complexities Examined

A policy on competitiveness of higher education sector needs examination of various complex issues. One such issue is that higher education, unlike other services, was never viewed as a private good and as a commodity to be traded and as earner of foreign exchange. The policy document views it as a public good and its importance is seen in terms of social and economic development of a nation. The role of private sector is seen in terms of 'non-profit' provider of services. An aspect of competition in economic theory refers to the tendency to achieve equilibrium price by the intersection of demand and supply, given the freedom of entry and exit of the suppliers of resources i.e. the firm. Complexity of the topic arises from the confusion that a category of 'competition' used in the case of private, traded good is invoked to a situation where the category is not applicable i.e. to a case of non-traded higher education scenario. In most developing countries this theoretical issue remains unresolved and competition is used in a loose sense to improve the efficiency. But it creates problems when measures to improve competitiveness are suggested, as measures to improve demand and supply come into conflict with policy standpoint on higher education.

Theoretical difficulties aside, it is worth noting the fact that globalization of higher education has produced compulsions to treat it as a commodity to be traded. Firstly, the countries like US treat higher education as major earner of foreign exchange.[1] Secondly, GATS provisions invoke higher education sector to lead towards progressive liberalization. Thirdly, even within a country the expansion of private sector and

[1] Foreign students contribute more than 12 billion dollar to the US economy every year. See Altbach Philip (2004)

reduction of the role of public sector produces the compulsions that universities must devise the curricula to suit demand conditions i.e. be oriented to meet changing employment needs of the industries. Internally, the resource crunch, too, produces compulsions to improve efficiency, on the one hand, and to raise resources by offering attractive educational programmes, on the other. Fourthly, there is too much of protection inherent in the public provision of education, which has led to inefficiency. The higher education, therefore, must be subjected to some norms of efficiency. The upshot of the argument is that in a changed circumstance the norms and some policy towards invoking efficiency is imminent. Shying away from this issue would invite problems of higher magnitude later.

The issue of competition creates complexity from another point of view. Efficiency must go together with equity. However, if competition is allowed then user charges will increase and subsidy to the higher education may be curtailed. Reduction in subsidy will be a step against the objective of equity in higher education. Thus competition should not be the focus of education policy. Education in developing country should be guided by the equity objective, many academicians maintain. Proponents of liberalization, however, maintain that resources withdrawn with reduction in subsidy may be utilized in providing support to the needy sections of the society. On the other hand, there will be a net gain by promoting efficiency through invoking competitiveness. Therefore, the measures promoting competitiveness must squarely confront the issue of competitiveness rather than evade it.

There is also an aspect of maintaining international equilibrium through following competition but the burden of adjustment may fall on domestic higher education sector throwing it into disequilibria. Competition, by allowing free inflow and outflow of students, resources and institutions, may match excess supply of developed countries with the excess demand of developing countries leading to the maintenance of international equilibrium. However, given the high cost of education, it may be difficult to raise the participation rate in higher education.

It is against this background that making India's higher education sector globally competitive may be considered.[2]

Framework of Competition

It is necessary to consider the framework of competition before considering the measures for making higher education sector globally competitive. First, given the framework of education policy, the participation of private sector may be considered but not the commercialization of higher education. Pricing should not be the basis of

[2] David D Curtis (undated) examines competition policy in the context of higher education in Australia, available on www.aare.edu.au

efficiency in public universities. The non-price factors such as the improvement in quality, governance, infrastructure, library, research facilities, and relevant curricula should be the prime concern in raising efficiency. The private sector may be guided by the price efficiency but only to the extent of meeting the cost or expansion or improvement in education services. This demands some regulatory mechanism to ensure that private sector practices fair competition within policy guidelines.

However, it is a little vexed issue to suggest the framework of competition for foreign education providers. Foreign universities can invest only when there is profit in investing in education services. Hence allowing free competition in higher education by permitting foreign universities amounts to the violation of present policy. Hence a rather difficult issue is entry of foreign universities in India. However, the issue is not without solution as foreign universities may be allowed only in collaboration with public or private universities in India with the majority stake in Indian partner. Thus foreign universities can only repatriate the earning for the services that they offer but cannot repatriate the profit, if any, as this has to be invested in India in improvement and expansion of educational facilities.

Context of GATS

It is noted in GATS agreement that it will facilitate developing member countries to expand services exports through the strengthening of their domestic services capacity and its efficiency and competitiveness. Issues of competitiveness pervades through the different articles of GATS since one of the basic objectives covered under GATS is to expand export potentials of say education services by internationalizing curricula, by making it relevant and through measures which promote the competitive strength of the education providers; colleges, universities and technical and professional institutions. While, on the one hand, WTO has to address the issue of multilateral framework on competition policy, the respective member countries have to put in place competitive strength of the institutions to promote export in areas of strength or where competitive cost advantage can be obtained and member countries have also to protect their own institutions from the onslaught of international cartels, on the other. Therefore, there are three important issues in relation to competition under GATS.

- What should be the multilateral, rule-based framework? The discussion on these issues is continuing?
- Measures for enhancing competitive strength of educational institutions need to be considered.
- There must be sufficient safeguards to protect our educational institutions from the unfair competition of educational institution abroad.

The objectives of competition law and policy are to ensure efficiency and help to put scarce resources to their best use. Without competition law and policy, the scarce resources of developing countries would be wasted. In the section we shall examine the implication of different articles of GATS on competition.

Transparency: To promote foreign direct investment under mode 3 in education services in the required area, it is necessary that transparency as stated in Article III should be maintained. The scope of transparency in Article III relates to providing all necessary information concerning domestic rules, regulations and administrative guidelines.

Increasing Participation: Article IV allows the mutual co-operation of developing and developed member country to promote competition through technology, developing information network and availing of professional knowledge.

Domestic regulation and Recognition: In the domestic regulation, again the scope of article VI provides for removal of unnecessary barriers to trade in education services in measures relating to qualification requirements and procedures, technical standards and licensing requirements. The idea here is that trade in education services should not be restricted merely on the basis of nationality criterion or for that matter discrimination should not be practised merely on the ground that persons having specific qualification belong to the foreign origin.

Similarly in the case of recognition, article VII stipulates that 'A member shall not accord recognition in a manner which would constitute a means of discrimination between countries in the application of its standards or criteria for the authorization, licensing or certification of services suppliers, or a disguised restriction on trade in services.'

Competition and MFN and NT: While MFN implies no discrimination among member countries; NT implies no discrimination between any member country and domestic education provider. This is an ideal situation and is indeed most conducive to promote competition provided there is a level playing field. However even if there is dejure non discrimination there may be defacto discrimination. Besides in specific cases there may be genuine need to practice discrimination, which the multilateral framework should acknowledge and permit. For example, national treatment, if applied to competition rules, would give large multinational corporations unlimited access to the developing countries' domestic markets. Therefore, a uniform application of this principle in relation to competition would not be in the interests of local providers of education, which, if unable to withstand competition, would, ultimately, exit the market. It is feared that rural colleges that serve the equity objectives and serve under many unfavourable situations might suffer due to NT principle. Hence provisions should be made for exemptions for

such institutions that serve national interests. In fact, under the current proposals, countries would generally be free to establish exceptions and exemptions that they considered necessary, with the only constraint being the requirement of transparency.

Monopoly and Exclusive Service Suppliers and Business Practices: Article VIII stipulates that in the case of a monopoly or exclusive service supplier of an education service, such providers of education services do not take undue advantage of the absence of competition and act in a manner that is inconsistent with those members' obligations under Article II and specific commitments. Similarly as per article IX any business practices of service suppliers that may restrain competition and thereby restrict trade in services should be restrained to do so in consultation with countries concerned.

Subsidy: The government generally heavily subsidizes the education services. The subsidies are considered beneficial from social point of view. Notwithstanding the argument that subsidies may have distortive effects on trade in services, many countries favour subsidies to the education services as desirable. The effect of subsidies on competition is still a vexed issue. In many developing economies although subsidy is considered desirable from social point of view, it has provided too much protection to the public provider of services and these institutions in turn have tended to be inefficient and less quality conscious. What should be the framework of competition that allows subsidies and still establish mechanisms to promote efficiency is a million dollar question that needs deeper analysis relating to subsidy and competition.

It was noted above that competition is an aspect of free trade. Competition policy allowing for free flow of education services would benefit developed countries to get an access to large market. The various clauses relating to competition under GATS with relative autonomy to the decision-making bodies promotes free trade. It was argued above that developing countries should promote supply responsiveness, may be through mutual trade among them or by allowing private participation under state control and supervision.[3] This requires change in the mindset of individuals and the institutions so far enjoying excessive protection.

To achieve above objectives, it is necessary to increase domestic specialization of diversified courses in which domestic providers of education in India have comparative advantage. This would enable also the inflow of foreign students due to higher specialized courses at low prices.

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[3] Expanding the state role from one of provider and regulator to also supervisor of education in Malaysia is an intelligent move to promote supply by promoting the complementary role of private sector. (SeeLee Molly N N,2000)

Thus from a practical stand point enhancing competitiveness implies:

- Establishing university industry linkages
- Internationalizing curricula.
- Identifying universities and specific courses
- Developing appropriate curricula, method of transaction of knowledge and evaluation of students of international standard.
- Removal of procedural impediments to opening of foreign campuses by Indian institutes.
- Allowing arrangements between India and foreign universities for offering academic programmes at both ends
- Making efforts at mutual recognition of degrees and credits.
- Developing infrastructural facilities in identified universities/institutions

Issues of Competition

Should there be a Policy of Competition in Higher Education? Competition policy refers to law and framework of rules and regulations to foster the competitive environment. It also refers to fostering of competitive market and removal of control.[4] State must assume the role of regulator of market. Should competition policy, so far the domain of private product and services, exist for the higher education? The objective of such a competition policy is to foster efficiency and also protection of and welfare of students. The issue of debate is as follows:

- Should there be competition law or only a framework of rules and regulation to foster competitive environment in higher education?
- How much of control should be exercised over public institutions?
- Should state control or regulate the private providers of education?
- Is efficiency inherent in competition policy against the objective of equity contained in NPE, 1986?
- What should be the guiding principles of policy of competition in higher education?

[4] See www.tariffcommission.gov.ph in the general context analyses competition policy, law, objectives etc.

Alternative Providers of Services

Competition exists when there are multiple alternative providers of education and the buyers of services are free to choose among those alternatives. This essentially means that among public institutions supply of institutions for courses having excess demand be promoted whereas those courses, which are in excess supply, must be closed down. Hence restructuring of courses and alternative providers of high tech courses producing knowledge and skill should form part of an effective competition policy. The private provision of education should increase. However, there must be a regulatory body to ensure that private sector practices fair competition within policy guidelines. Similarly the foreign providers of education may be provided entry subject to the control and other conditions that do not violate the national policy on education. The basic principle of growth of institutions should be ability to innovate, upgrade and become efficient.

Improvement in Demand

In economic theory, increasing demand leads to an increase in price. Higher education scenario in India is already one of excess demand and higher education is supply constrained. Then the question is why do we say that promotion of demand is necessary for improving competitiveness[5]? Improvement in demand is talked about in two senses. First, it refers to measures for increasing international demand for Indian education to promote the inflow of foreign students and secondly, it also refers to raising relevant demand for education to meet the needs of employment market that demands diversified skill development. Regulatory and other measures to promote demand relate to the following:

- Maintenance of international standards in universities and courses
- Introducing a system of registration of foreign educational institutions and accreditation to ensure quality
- Establishing nodal agency to assess the genuineness, quality and relevance of the programme of study offered by foreign universities
- Identifying universities and courses of study to attract foreign students in India
- Internationalise the curricula and orient the education system to the emerging demand pattern of industry

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[5] This is the view of the Ministry of Commerce reflected in sector specific recommendations on Making India's Higher Education Sector Globally Competitive

Improving Supply Conditions:

- Improving the supply of trained educational manpower
- Government to improve general infrastructure
- Removing procedural impediments to the opening of foreign campuses by Indian institutions
- Removal of controls on supply must go hand in hand with stopping the sub-standard institutions

The objective of the technical session on " Competitiveness in Higher Education" is to discuss and deliberate upon these issues while giving its recommendations.

Section- Three

Domestic Regulation under GATS and National Regulatory Authority

A broader context of the discussion is that regulations promoting government control and monopoly have resulted in inefficiencies due to 'state failures'. However, since the market, too, is liable to failures the domestic regulation must pave the way towards control on free market in services without eliminating protection wherever that is required. The proponents of GATS argue that free market supporting regulations will result in efficient outcomes. This is the major premise in Domestic Regulation under GATS. The objective of the present note is to find out the difficulties inherent in domestic regulation clause under GATS

Article VI of GATS on domestic regulation along with Market Access and National Treatment articles, can be seen as the third complementary measure to ensure free trade in services. Article VI requires that "in sectors where specific commitments are undertaken, each Member shall ensure that all measures of general application are administered in a reasonable, objective and impartial manner". The article aims to create more transparent domestic regulatory decision-making, implementation and administration. There is explicit recognition of the right of service suppliers to information on regulatory and administrative decisions and to judicial and administrative review and appeals processes. Article VI calls for the development of disciplines to ensure that measures relating to qualification requirements and procedures, technical standards and licensing requirements do not constitute unnecessary barriers to trade in services.

On the other hand, the National Policy guides the national regulation on education within a country. Education is a social sector. It

is still not considered as a commodity to be guided by the profit motive. The overriding concerns in the national policy are access, equity and quality. In fact discriminating protection is also offered to the weaker sections of society. Besides regulations are made at least at the three levels in the higher education sector at the university level, at the state and at the national level. University has the academic autonomy to determine the course structure, course content, teaching hours, qualification for admission of students. The affiliation, disaffiliation, admission policy and fees structure for universities' statutory bodies and government regulate various courses. As per the recent Supreme Court judgement the state regulation over unaided privately managed colleges has been diluted and brought down to minimum. There are various apex bodies at the central and state levels, which perform different roles and functions for promoting and regulating higher education and research in India.

Various concerns are being raised regarding the potential effect of Article VI on Domestic Regulation under GATS upon the National Regulatory Authority's power to influence and guide the higher education system in accordance with the National Policy on Education. The objective of the present paper is to analyse some of these concerns in the context of policies and practices in higher education in India.

Loss of Freedom to Regulate

One of the principal concerns is that whether domestic regulation under GATS leads to a loss of nation's freedom to regulate its education service in the manner it deems appropriate.[6] Since the former is guided by commercial consideration where as the national regulatory framework protects public interest, there is bound to be conflict between the two.[7] The Council for Trade in Services has been given a particular negotiating mandate in article VI: 4. It allows the Council to develop, in appropriate bodies, any necessary disciplines to prevent domestic regulations (qualification requirements and procedures technical standards and licensing requirements) from constituting unnecessary barriers to trade. It is thus feared that GATS leaves government regulations open to WTO disputes challenge through MA & NT commitments and directly challenges the crucial role that local and national governments play in regulating services.

To remove the 'loss of freedom' threat it is argued that 'domestic regulation' be conducive to economically rational policy making while preserving the regulatory autonomy required to pursue and achieve domestic policy objectives. For example, if the universal access to higher

[6] The point is discussed at length in Mattoo A & Sauvé Pierre, (2002)

[7] Rupa Chanda (2003) notes the difficulty in balancing public interests and commercial considerations in the framing of domestic regulations by the government. Partly the problem also arises due to ambiguity and discretionary scope in interpreting key terms and conditions under Article VI.

education is a declared goal of National System of Education, the regulations may contain measures to achieve the stated goals. However, these regulations, "whether for economic or social purposes, can be designed, implemented or enforced in more transparent and efficient ways with positive overall effects in terms of domestic governance".[8] Given this, the GATS explicitly recognizes "the right of Members to regulate, and to introduce new regulations on, the supply of services within their territories in order to meet national policy objectives and given asymmetries existing with respect to the degrees of development of services regulations in different countries, the particular need of developing countries to exercise this right".[9]

It should be possible, it is argued, to ensure that certain services sectors, which may be important from the social point of view, may not at all be brought within the purview of GATS regulatory disciplines and even if brought by way of bound commitments other means exist to protect the social sector. For example,

Schedule of commitments follows positive list approach.[10] Hence only those education services are within the GATS purview in which MA and NT commitments are made.

Limitations to MA and NT – horizontal as well as sectoral – may be mentioned to limit GATS purview.

Measures relating to licensing, qualifications and technical standards which discriminate between foreign and domestic suppliers whether formally or in fact, would need to be scheduled as NT limitation in the sector where GATS commitments may have been made.

Members are required to apply their domestic regulations in a way that would not nullify or impair specific commitments.

Threat of Commercialisation

Internationalisation of higher education poses the threat to the public system of higher education. Education is fast becoming a tradable commodity and private providers of education are fast becoming active even within a country. Mushrooming of private institutions for making fast bucks is alarming and is a cause for concern. Draft Guidelines for a Model Act, UGC, 2003 admits that "... Due to the commercial nature of their activities, their number and nationwide spread are likely to increase in the coming years." "The Chattisgarh Niji Khestra Viswavidyalaya (Sthapana or Vinimiyaman) Adhiniyam,2002" allowed the scope of

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[8] op.cit.

[9] op.cit. p.1

[10] Applicability of domestic regulation to only 'bound' commitments in GATS is supported by all the developing countries whereas US considers that any new disciplines in domestic regulation must apply horizontally to 'bound' or 'unbound' commitments

private university in the state to even provide degrees, diplomas, certificates and other academic distinctions free from recognition and regulation from UGC. The mushrooming of universities in the state without any quality control is also a cause for great concern. Two other states Orissa and Uttaranchal are now following the lead taken by Chhatisgarh to allow private universities.

Presently national regulation in India allows that only charitable registered societies, non-profit public trusts or foundations can run educational institutions under section 35 of the company's act. Thus within the control of public authorities non-profit private initiatives are permitted. Furthermore, the scope of private institutions/universities is also restricted to offering of such degrees specified by the UGC. The prevailing practice of offering 'disguised' degrees is creating a state of utter confusion and their employment prospects, too, is being restricted to private and unorganized sectors.

The point to note is that globalisation is providing, overtly or covertly, an impetus to the private initiatives in education that will invite commercial interests to grow violating the spirit contained in the National Policy on Education. Selected private institutions in India, however, have catered to the specified parameters of quality. It is important that the education sector be vigilant about domestic regulations that are seen as safeguards for the importing country but barriers for the exporting country wanting access to the market.

The scope of regulation whether through central or state legislation must have effective enabling clauses to limit pure commercial interests as well as disguised degrees but it may very well promote private initiatives in higher education that stand for reputation and academic excellance.[11] In this respect it is important to note that the scope of control and regulation of private enterprise in India should be carefully determined to not only limit the commercial interests but also to guarantee the principles of equity and norms of quality. As such the review of admission policy, fees, infrastructure and quality parameters by the regulating authority should be under the purview of government. If such laws are not made, domestic regulation provision under GATS may have serious implications in terms of regulating the entry and operations of foreign education providers in India.

Foreign Education Providers Promoting Commercialisation

Under National Treatment clause all educational institutions in India whether domestic or foreign should be equally treated. There should be no discrimination simply on the grounds that a particular educational institution is a foreign institution. Hence there is a danger that if domestic regulations do not properly regulate the private

[11] See Kumar Ravindra (2004)

education providers in India then foreign education institutions through collaborative arrangements with private institutions in India or by establishing campuses in India may also indulge in commercial activities, as under the clause discrimination cannot be allowed.

It is important to note that in determining the national regulation a clarity in approach towards the treatment of 'for profit' and private universities should be made otherwise contradictory situations may emerge. Under section 35 of the Company's Act profit making cannot be the criteria of establishing educational institutions under private sector in India. On the other hand if under the central or state legislation private universities are allowed to be opened under private sector that begins to pursue commercial interests overtly or covertly, then it amounts to the violation of company's act. Hence in accordance with the present policy on education national legislation on control and regulation of foreign education providers in India should be framed to restrict operation on profit lines. In India institutions such as UGC, NCTE, National Open School, IGNOU are in the process of framing regulations to regulate the operations of foreign education providers in India. AICTE has already framed the regulation to regulate the foreign educational institutions.

However the asymmetries in education policies and practices, too, cannot be disregarded. The present situation is one of dejure non-acceptability but defacto acceptability of 'for profit' and private institutions in India. Even though given education policy the regulation must forbid 'for profit' institutions yet the operations of the same cannot be reversed unless state takes upon itself the responsibility of higher allocation of resources for higher education. Internationalisation of education thus calls for pro-active role of the state, strategic planning and innovative approach to seek private initiatives at all levels of education. Before making any regulation clarity of the role and responsibilities of private enterprise in education is highly required. *An ambivalent stance would invite more troubles if the GATS domestic regulation clause comes into effect.*

It is also important to point out that regulation in education must be followed by an appropriate FDI policy. For example, if the earnings by the foreign institutions are repatriated abroad, there is no guarantee to ensure the investment of the earnings into education sector in India. *Thus if the domestic regulation allows foreign institutions to operate on the condition that surplus earned is further reinvested in educational activities then any transfer of earnings abroad should be prohibited through an appropriate FDI policy.*

Equity Concerns

It is important to address equity concerns in any national regulations on education. An important reason to protect the public system of higher education is to enhance the access to education and to provide the discriminating protection to girls and the socially deprived groups. An important way in which this is affected is through providing subsidy. Article XV on subsidies under GATS notes the distortive effects of subsidies on trade in services. However, the article also notes its importance in development programmes and takes into account the needs of Members in providing subsidy.

The distortive effects of subsidies are explained in terms of excessive protection and consequent inefficiency of public sector educational institutions. On the other hand, the benefits are in terms of higher social returns by providing access to social sufferers. It is argued that the withdrawal of subsidies would generate efficiency in the educational institutions and the resources so saved could compensate for the loss in equity. Needless to say that the policy of subsidy in the past has served equity objectives but the public sector institutions have suffered from inefficiency. Further the resource constraint has severely restricted the autonomy of the institutions to improve the quality of education. As such there is the need to provide greater autonomy to the institutions and the regulations on education should allow for the same.

At present there are three types of educational institutions in India- government, private aided and unaided. While subsidies in the form of grants are received by the first two categories of the institutions by the government and they follow the regulatory disciplines relating to equity by the government, the last category presents a chaotic picture as some approved institutions are regulated although others evade any regulatory discipline. The point to note is that whether unaided categories should be subjected to regulation concerning equity. If not, then foreign institutions, too, cannot be subjected to regulations concerning equity. If the government feels that unaided institutions, too, should be subjected to regulations concerning equity then possibly the right to subsidy must also be reserved for them irrespective of whether they are domestic or foreign institutions. It is also possible to provide discriminating protection in favour of domestic education providers. In such case the right to grants may be reserved to the nationals and the same must be listed as NT limitation in the schedule of commitments.

Scope of National Regulation on Education

There are following issues that need to be settled in a national regulation on education for the private education providers in India.

Private Education Providers

There is the need to regulate the private education providers in India. A comprehensive legislation by the UGC/AICTE to regulate private educational institutions promoted by an Indian/NRI is needed for an orderly growth of institutions. The legislation should clearly lay down the process of registration of institutions. Whereas the academic autonomy to the private institutions with respect to the admission policy, the course and the curriculum, the teaching learning process and the methods of evaluation may be granted, team of experts appointed by UGC/AICTE should periodically scrutinize them. The continuance of the course after three years be subject to the minimum accreditation grade granted by NAAC. It is also important to review the fee structure as and when considered necessary by the UGC/AICTE.

Foreign Education Providers

At present the strategy of foreign education providers in India is to attract a large number of Indian students for studies abroad. The foreign institutions in India have been largely active in collaboration with private institutions promoted by an Indian/NRI/Corporate group, although few have opened branch campuses as well. The nature of collaboration is mainly the twinning arrangement whereby Indian students may be allowed to receive part education in foreign universities at the high price charged by them.

The national regulatory framework for education in India may also have separate regulation for foreign educational institution. The scope of regulation should be to cover the registration procedure, admission policy, course structure, the academic faculty and the minimum infrastructure. Besides the quality of education imparted by these institutions should also be within the purview of regulation. There should also be compulsory accreditation by NAAC and degree awarded by them should also be recognized in the foreign countries.

Apart from the issue of national regulation the issues relating to subsidy also acquires importance, as the grants are available to the aided private educational institutions in India. All government or aided institutions are fully within the purview of government regulation. The subsidy is reserved for these institutions only. The foreign educational institutions should not be provided such concessions and this should be specifically mentioned in the schedule of commitments.

Domestic Regulation: Some Examples

So far as the domestic regulation in different countries are concerned, there are asymmetries in approaches. There are some countries that intend to use it with a view to promote competitiveness. Others that are skeptical, especially among developing economies, use domestic regulation more as a tool to protect the national educational

system against the onslaught of foreign educational institutions. In the latter set of countries consistency with the goals of the GATS may not necessarily be achieved.

The scope of domestic regulations in the context of transnational higher education should be to address the myriad concerns of the government, including consumer protection, advancing national goals and protecting the local system. Among other concerns of the government are: National values and priorities of the host country may be undermined by the presence of foreign providers not sharing such values, local academic may be exploited by foreign providers, local students may be misled by foreign providers offering sub standard courses.

In the context of GATS China introduced the legislation on transnational provision of education services in March 2003 and September 2003. Major features include the stipulation that foreign institutions must partner with Chinese institutions; partnership must not seek profit as their objective; no less than half the members of the governing body must be Chinese citizens and the post of President or equivalent must be a Chinese citizen; the basic language of instruction should be Chinese; and tuition fees may not be raised without approval. (See Garrett Richard, 2004)

The increasing scale of activity of foreign education providers in China poses some problems.[12] An important problem is that non-approved institutions far exceed the officially approved number of institutions, which also means that the scope of domestic regulation should be to prevent any unauthorized institutions to operate within any domestic territory.

In Philippines Professional Regulation Commission (PRC) and the Commission on Higher Education (CHED) are the regulatory bodies. A policy note by Tullao T S (2002) admits that existing provisions do restrict trade in educational services and hence are in non-conformity with GATS provisions in article VI: 4. The author cites example of a labour market test as putting barriers to trade in services. Tullao suggests an important perspective of domestic regulation in terms of measures to improve the quality of Filipino professionals and to improve higher education in terms of improving faculty qualifications and expanding research. This is a significant direction in which the domestic regulations must proceed rather than lifting all controls as the markets, too, are liable to be failures.

Hong Kong witnessed proliferation of foreign courses till December 1997 when the Non-local Higher and Professional Education (Regulation)

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[12] According to 2003 Chinese decree there are currently 712 'approved jointly run education institutions in China.

Ordinance was implemented. (See Mcburnie G and Ziguras C, 2001) The ordinance requires that foreign providers partnering with one of the 11 government recognized Hong Kong higher and post secondary institutions should apply for 'exemption from registration', however, other providers must apply for registration. In the latter case application is closely vetted under the direction of the Registrar who satisfies himself through seeking detailed information that the foreign provider is a bonafide operator in its home country, and that the course will be of a similar standard to the provider's equivalent domestic course. The Registrar has centralized database of foreign courses and institutions. In the case of 'exemption' from registration, it relies on the domestic bonafides of the foreign providers. In the case of registration, he verifies it himself the bonafides of foreign providers and informs the students to go through the comprehensive database from the office before choosing for courses. In the domestic regulation, therefore, the state's role is confined to ensuring that all participants in the market have provided information that would enable informed choices to be made by consumers.

The objective of domestic regulation in Malaysia was to reduce its level of importing of education through transnational education and to increase export through the expansion of private higher education. There has also been a change in the 'mind set' from one of the opposer of private education before mid 90's to one of 'guided' supporter of private education. The regulatory mechanism ensures that application for approval to establish higher education institution, its registration and certification of courses by certified agency-LAN to meet minimum standards. While the public universities provide for quota system supporting the ethnic composition of Bumiputra (Malay and indigenous), Chinese, Indian and other students. In private educational institutions English is the primary language of instruction.

The experience of New Zealand is worth mentioning in facing difficulties by the government in shaping higher education system, once GATS commitment to open market access in mode III was made in 1995. In 2000, New Zealand government passed legislation limiting the number of public university to 8 (primarily to prevent an Auckland polytechnic from becoming university), but the government placed no limit on the number of private university. Under New Zealand's GATS obligation, the government cannot restrict the number of private universities or colleges, or the number of students enrolled. The NZQA has the power to grant approval to local or foreign institutions to use the 'title' university, and once they are accreditated by NZQA, they are eligible for the same level of tuition subsidy as public university. This situation in which the government is attempting to shape the growth of higher education but has no power to restrict the number or size of private sector institutions has drawn criticism from within the country.

Similarly in order for institutions to receive public subsidies for programmes they operate in New Zealand, they must register their institutions with NZQA and have their programme quality assured by the NZQA. However, transnational providers not seeking subsidies are not required to being recognized by NQF. Foreign providers in New Zealand can operate with fewer restrictions than local private institutions as transnational providers can operate in New Zealand with no restriction other than those relating to all foreign investment. The present situation is that Australian providers of education operate in New Zealand, as they are not required to be approved by NZQA. (See Ziguras Christopher, 2001)

The provision of Article VI under GATS is a step in the direction to ensure free trade in services through more transparent domestic regulatory decision-making, implementation and administration. From the point of view of developing economy the national regulation in higher education has been oriented towards protecting the system of public higher education to serve greater access and equity. Hence there seems to be a tension between the objectives as set forth in the 1986 policy guidelines relating to access, equity and quality and the importance that it attaches to public provision of education and the recent trends of commodification and internationalization of education that may set up forces acting against those objectives. Given various compulsions to open up and the dangers inherent in opening up the domestic regulation in higher education the burden of domestic regulation falls more and more to regulate the foreign education providers. Regulations in Philippines provide an example to promote quality as a challenge to free trade in education and is a step in right direction.

Proposed Discussion Points

The following points need to be discussed for making recommendations on following aspects of Domestic Regulation under GATS

Meaning and Scope of Article VI on Domestic Regulation under GATS

Objectives of Domestic Regulation – conflict between GATS approach and regulation guided by national interests

Domestic Regulation under GATS and consideration of its implications

Manner in which article VI.4 leads to a loss of freedom to regulate education services by national regulatory authorities

Relevance (or irrelevance) of Article VI.5

Framework of Regulation for Private sector in India

Framework of Regulation for foreign education providers in India

Domestic Regulation on the issues of cross border education

Domestic Regulation and Mutual Recognition of Awards and equivalence issue



Section- Four

FDI Policy in Education Sector

Introduction

The implications of FDI into higher education is not a simple question as it has its bearing not only in the higher education per se but also on the education sector and more broadly on the whole process of generation of knowledge. Development being dependent on knowledge the implications of liberalization have far reaching consequences. In the era of globalization, nations cannot simply remain isolated. The pros and cons of liberalization need to be understood before any policy decision.

What is Foreign Direct Investment (FDI)?

According to OECD, a FDI enterprise is an incorporated or unincorporated enterprise in which a single foreign investor maintains an effective voice by covering 10% of ordinary shares or voting power in an enterprise or covers less than 10% and yet maintains an effective voice in the management. An effective voice implies ability to influence the management and not absolute control. Thus

FDI could be desegregated into components of equity capital, invested earnings and intra firm loans

The threshold equity usually chosen ranges between 10% and 50% of equity shareholding, which allows effective voice in the management.

Ways of acquiring effective voice, other than equity share holding are turnkey arrangements, franchising, leasing, subcontracting, licensing and production sharing.

Foreign capital can enter into the Indian market in any one or more than one of the following ways:

FDI: Companies may be formed in other countries with the specific purpose of operating in India, companies may start their subsidiary offices or branches and affiliates in India or foreigners may subscribe to stocks and debentures of concerns in India.

Foreign Collaboration: It may take place between two private parties in India and abroad or between foreign firms and Indian government or between foreign government and Indian government.

Other means by which foreign capital can enter the Indian markets are through intergovernmental loans, loans from institutions and external commercial borrowings.

In the current wave of liberalization there has been worldwide shift in the forms of foreign capital. Firstly, direct foreign investment through involving equity capital of an existing or new undertaking has been

rising. Secondly, intergovernmental loans and loans from institutions have been declining and external commercial borrowings have been rising implying a shift towards free market based system of attracting foreign capital. Thirdly, technical collaboration involving payments for technology is not a much-favoured mode. Indian firms are apparently opting for equity linked technology transfer.[13]

FDI in Education

The policy of FDI in 5 sectors of education services is through automatic route. In the absence of any policy in this sector foreign capital may flow in or out by means of offshore foreign institutions' campus or through the tie-ups with the private partner in India. There is also no limit to foreign capital investment in education services. Since the foreign education providers are coming in unregulated manner, an unregulated inflow of foreign capital particularly in education sector is a cause of great concern. It is now felt that FDI in education must be guided by certain norms and control as it is a sensitive sector and its implications should be examined before any FDI policy.

Recently Shri. Arjun Singh, Minister HRD said, "I do not think that there are any ideological problems about FDI. But some kind of *control* (italics added) has to be maintained. Education is a sensitive area." Before finalizing any policy on FDI in higher education, there are various issues that need to be discussed.

Rationale for FDI in Education

As a source of investment

Traditionally education is considered to be non-tradable. The government is used to fund education through domestic resource mobilization. Recently UPE and UEE required large foreign capital to be funded through World Bank loan. In the Higher Education 90's is the decade of falling percentage budgetary allocation on secondary, higher and technical education. The resource crunch in these sectors have adversely affected the public sector and promoted the private sector participation at almost all levels of education. To raise the participation rate from 7% to 10% targeted by the end of tenth plan is also an uphill task in view of impending financial shortage. It may be argued that FDI may be used as a source of investment at least in some selected sectors

Against this view academia in education sector argue that foreign investment in education might lead to cultural imperialism. Therefore, education should be national agenda purely funded through domestic resources.

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[13] See Basant Rakesh (2000) 'Corporate Response to Economic Reforms' in Economic and Political Weekly, March 4 for an overview of corporate strategies in 1990s relating to mergers and acquisitions, distribution of collaboration by level of control and types of collaboration.

Quality Issue

Argument in favour of FDI in Education is that foreign institutions can bring quality programs with market orientation. Besides updated curricula, teaching learning processes, evaluation processes may be internalized within educational institution in India. It may also reap the benefits of improved managerial and organizational skills to run the institutions. It is also argued that FDI could promote competitiveness in the education system as a whole.

The critics maintain that the quality could be maintained in certain specific sectors where FDI takes place, whereas in mass education sector the spillover effect of quality may not take place. In fact it might lead to dualism in education. Hence critics maintain that there should be no liberal FDI policy in education

Export

It is also argued that there is a positive correlation between FDI and export. Hence it is argued that allowing FDI in education might lead to export of Indian education abroad in which there are large potentials in South East Asia, Africa, Latin America etc. Education may, therefore, turnout to be net exporter and earner of foreign exchange.

It is, however, maintained that foreign institutions would be interested to exploit the large market in India, rater than exporting education from India. There is also no empirical evidence to show the positive association between FDI and export.

Since nations cannot remain isolated in this age of globalisation. Therefore, the FDI policy should be linked to specific sectors and the specific objectives.

FDI and GATS

In the background of GATS the policy on FDI needs to be discussed. So far in the era of bilateralism, the investment has followed the trade in manufacturing and quite often the reverse in the case of services. Commitments and conditions for investments were mutually agreed upon.

GATS is directly not an investment agreement. It is a trade agreement in services that is multilateral and guided by minimum rules principles. Hence institutional and legal interlinkages under GATS also necessitate the FDI gearing to fulfilling trade based needs arising from interlinkages. It should be noted that investment is one of several different ways of gaining access to market. There is no investment protection provision as found in bilateral agreement.

Hence if there is commitment to allow commercial presence in Mode III, no control in FDI is possible. The FDI follows automatically

from what is there in the 'Schedule of Commitments'. If there are no MA and NT limitations or any other Horizontal limitations, FDI will also not be subject to any control. In case of limitation FDI will be restricted to those limitations only. There is no back tracking possible because of progressive liberalization of trade under GATS.

GATS not only addressed the terms and condition upon which a foreign investor may enter the market, but also deals with establishment 'trade' or in other words, the conditions of operating the post Investment phase. As such FDI is not only one-shot affair, it happens to be continuous phenomena as well.

The next important point is that both existing and future bilateral and regional investment agreements will need to take its provisions fully into account including strong MFN commitment. It means that opening any sector today for any country would mean opening the sector probably for all countries under GATS.

Proposals for FDI for Discussion

1. *There should be public-to-public FDI flow. For example, any foreign university willing to enter into a joint venture with public institutions in India may be freely permitted to enter into an agreement allowing FDI without any restrictions. Similarly any public universities in India willing to invest abroad for the purpose of exporting education abroad may be allowed to invest.*
2. *Any foreign universities – public or private – willing to open overseas campus in India may be allowed to do so under the regulatory control of Government/ Government agencies. FDI should be guided by minimum investment norms decided by the regulating authority.*
3. *Any foreign public or private joint venture in partnership with Indian private sector may be permitted with majority stake in Indian partner. Besides educational joint venture programme should be strictly guided by the norms fixed by the Government/ Government agency.*
4. *Any foreign private to public joint venture programme may also be allowed without any restrictions so far as FDI is concerned as public institution in India is already covered by the national system of regulation.*

Section- Five

Mode wise Analysis

The four modes of supply of education services are referred to in GATS negotiations as set out in the article I: 2. The modes are essentially defined on the basis of the origin of service supplier and consumer, and the degree and type of territorial presence, which they have at the moment the service is delivered. A following tabular presentation is supplied to illustrate the four modes of supply under education services.

Table-1
Modes of Supply

GATS- Mode of Supply	**Explanation**	**Examples in Higher Education**	**Size /Potential of Market**
1. Cross Border Supply	-the provision of a service where the service crosses the border (does not require the physical movement of the consumer)	-distance education - e-learning -virtual universities	-currently a relatively small market -seen to have great potential through the use of new ICTs especially the Internet
2. Consumption Abroad	-provision of the service involving the movement of the consumer to the country of the supplier	-students who go to another country to study	-currently represents the largest share of the global market for education services
3. Commercial Presence	-the service provider establishes or has presence of commercial facilities in another country in order to render service	-local branch or satellite campuses -twinning partnerships -franchising arrangements with local institutions	-growing interest and strong potential for future growth -most controversial as it appears to set international rules on foreign investment
4. Presence of Natural Persons	- persons travelling to another country on a temporary basis to provide service	-professors, teachers, researchers working abroad	-potentially a strong market given the emphasis on mobility of professionals

Source: Knight 2002

MODE I: Cross Border Supply

In education service, cross border supply covers all types of service that is provided through distance or through telecommunications or mail and through services embodied in exported goods (i.e., services supplied in or by a physical medium, such as a computer diskette or drawings). In all such cases, the service supplier is not present within the territory of the member where the service is delivered.

Under mode I, there are two possibilities of trade. The first is through distance education offered by universities or through national open universities either through print or telecommunication or through computer diskette or through all. The second of course relates to all education services supplied by other than universities or national open universities.

IGNOU's strength in marketing programmes abroad

The competitive strength of IGNOU in marketing education programmes abroad is the reputation, quality and the low prices. It charges 250 US dollar for its prestigious management course. Similar course from a developed country would cost at least ten times that of above charge. IGNOU is already a recognized distance education provider in gulf region- Dubai, Abu Dhabi, Sharjah, Doha, Muscat and Kuwait. Its courses are being offered in Mauritius, Maldives, Seychelles, Nepal and Sri Lanka. Staff Training and Research Institute of Distance Education (STRIDE), IGNOU has also collaborated with the International Institute of Capacity Building in Africa(IICBA), Addis Ababa to provide distance education programme to students in Ethiopia and Liberia. Students from Commonwealth countries have also been offered IGNOU programmes through distance mode.

The competitive strength of IGNOU can be realized when it can make right strategies for the offer of courses and for marketing the programmes abroad. (see Parhar, 2001) India can make requests to other countries to allow IGNOU to market its programme. An assessment of the strength of IGNOU in marketing education abroad vis-a-vis international open universities is necessary for making offers. The general principle should be to make partial commitments restricted to public providers of distance education from abroad.

Paschal B. Mihyo (2004) notes some of the concerns. These are:

1. Capability of national authorities to regulate the content of programmes delivered through this mode
2. The temptation of overseas suppliers using distance learning as a medium for dumping upon developing countries modules, courses and degrees that are no longer marketable in their own economies are very high

3. In the absence of auditing capability distance learning programmes may be introduced without linking them to development objectives and because there are many people in developing countries who need a degree of any sort to advance their career such courses may become very popular. But their contribution to capacity building for development may be limited
4. Limited rigorous mechanisms for quality assurance that can ensure courses are taught by tenured faculty with a record of publications and with hands on knowledge of their fields of specialization
5. Intellectual dumping- freelance experts, consultants and retired soldiers offering distance learning courses and materials is increasing

Mode-II: Movement of Students

This mode of supply is often referred to as "movement of the consumer". The essential feature of the mode is that the service is delivered outside the territory of the member making commitment. Often the actual movement of the consumer i.e., students is necessary as in education services. It should be noted that a member might only be able to impose restrictive measures affecting its own consumers (students), not those of other members, on activities taking place outside its jurisdiction. For example, if India opens mode II, then it may impose limitations with respect to mode II on market access or national treatment that affects the students coming from abroad to India (i.e., its own consumers). India cannot impose restrictions affecting students going to say, United States, for studies there.

Reasons for the Outflow of Students: Altbach (2004) notes the following reasons for the outflow of students

1. Many very able students are unable to obtain entry into local universities because of lack of space and sometimes very competitive entry requirements. Such students often find it easier to gain entry to good foreign institutions than to local schools.
2. Many of the world's brightest students seek opportunities abroad because there are few, if any, "world-class" institutions in much of the world, especially in developing countries.
3. Students also leave home when the specializations they want to study, from astronomical physics to aspects of zoology, are unavailable in their own countries, especially at the graduate and professional level.
4. Some students feel that the prestige of a degree from a foreign university, especially an American degree, is greater than that of one from a local institution.

5. A significant number of international students go abroad to study with the aim of staying in the host country to work and make a career.

Educational institutions of developed countries have competitive advantages in relation to the educational institutions of developing countries. Advanced countries taking full commitment in mode II have been able to attract foreign students and earn huge amount of money. Do our educational institutions have international curricula, world class, infrastructure and facilities such as library, hostels, and equipment? Let it be known that even IITs in India, though may be world class in terms of academic standards, do not have facilities in terms of hostel, classroom, etc., by international standards. Statistics reveal that the number of foreign students coming to India is falling in recent years. Since restriction under Mode II by India does not restrain the flow of students to any other country, but only to its own country, there is no point in restricting the mode II. Taking full commitment and developing institutions in India to offer world-class higher education services may have immense potentials to attract foreign students in India. Of course, the present scenario is that countries like US, UK, Canada and Australia are making vigorous advertising and sales campaigns to attract Indian students abroad.

Mode- III Commercial Presence

It refers to the actual presence of foreign investors in a host country. The important ways in which this mode can be activated are opening an institution or branch campuses abroad or franchising or through twinning. Indian higher educational institutions may offer programme or qualification abroad and may allow the outside educational institutions to offer educational programmes and qualifications. Opening of this mode, too, has various implications and therefore, it is in the interests of developing countries to make only partial commitments and impose various limitations so that Indian higher education structure is benefited from trade through this mode.

India has some competitive advantages in certain area of education such as yoga, Ayurveda, Sanskrit. Besides it has also potentials to develop many areas such as engineering, management, medical institutions or their branch campuses abroad. India can make requests to other countries to allow an access to Indian providers of education. India can also make offers where quality institutions are required. They may be permitted to establish institutions provided reputed foreign education institutions provide quality education. Off shore campus requiring minimum amount of investment in infrastructure and quality education may be permitted. Foreign education providers should also be subject to regulation by the government. One limitation that a country like India should impose is that only public education providers should

be permitted through the mode III provided various other conditions such as mutual recognition of degrees are fulfilled. Of course developed countries want this mode to exploit the market of developing economies and therefore prefer to have minimum limitations or restrictions to be imposed by developing countries.

Some of the negative implications of opening mode III may be pointed out.

- Commercial presence may entail welfare distortions. Usually foreign institutions tend to give better and more attractive packages to their staff. This allows them to employ the best leaving the others to share the rest. Consequences may be the creation of wage havens employing and retaining a very happy few while at the same time creating conditions for internal brain drain
- One of the negative consequences of market driven for-profit education is that the number of 'diploma mills', 'canned degrees' and 'accreditation mills' will increase.(Powar, 2002)
- Foreign Institutions can create duality of quality, standards and access.
- There may be the rise of inefficient and languishing public sector and a dominant private sector (Powar, 2002)
- The presence of foreign providers signal to government that they can decrease public funding for higher education, thereby jeopardizing domestic publicly funded institutions (Anandkrishnan, 2004)

On the positive side the following implications of inflow of foreign institutions in India are pointed out:

- Possibility of stopping outflow of students
- Study programmes will be cheaper in relation to foreign degrees earned abroad.
- Diversification of study programmes. Of course this diversification is a very limited one.
- Process of integration of an international dimension into the teaching/service/research functions, competitiveness will be promoted and it has its implications on the foreign exchange as well.

Present Status of Foreign Education Providers in India

NIEPA is at present conducting a research study on foreign education providers in India. As per the information so far collected there are over 100 institutions/universities providing foreign courses/programmes in India.[14]

There has been a spurt in the demand for the courses/programmes offered by Indian institutions working in collaboration with foreign universities. However, off late it is being observed that in the absence of a simple and transparent approach to recognize, supervise and monitor the foreign education providers in India, the students feel threatened to join the courses offered by the foreign educational institutions.

It was observed that most of the foreign institutions in India have twinning or franchisee arrangement with Indian partners. Under the former the foreign institutions in India attract Indian students for a year or two in their own countries. Under the franchisee the foreign institutions permit Indian partner institutions to execute the programmes and conduct the examination. It is said that the foreign institutions supervise quality control, curriculum design and the capacity building of faculty. Revenue is shared on a 50:50 basis. Off shore campus mode of foreign institutions' operation is not very popular. Hence there is a little of FDI inflow to the country and more of the outflow of foreign exchange due to twinning and fees charged on account of franchisee. The diversification offered by foreign institutions is too thin and is confined to courses in business management, hospitality management, information technology and some vocational courses such as nursing, tourism etc. All courses are job oriented and hence attract the limited number of high fee paying students. There is no doubt there are private partners in India who are active in collaborating with foreign institutions, however, public universities, too, have few tie ups with foreign universities.

The most worrisome feature is that any foreign degree offered in India is not recognized if the Indian partner institutions are not recognized by UGC or AICTE or any other recognizing bodies such as National Council of Teacher Education (NCTE), Medical Council of India (MCI), Dental Council of India (DCI), Council of Architecture, Distance Education Council of IGNOU. Regulation and processes of recognition, monitoring and supervision of such foreign education providers need to be brought out urgently. There are institutions, which have applied to the AICTE for recognition of programmes, but even before any such recognition the institutions have already begun to operate with the

[14] The Directory on the foreign education providers in Higher Education in India is being prepared. As per the latest figure the number of such foreign institutions is over 100.

collaboration of Indian partners. AICTE's present regulation is said to be too restrictive.

The sum and substance of above discussion is that foreign institutions are not active in any knowledge disciplines. They are active in I & T and some vocational areas where job prospects are high so that students can be easily attracted to such courses. There should be normal regulatory procedures for such institutions. It is also a fact that foreign institutions are most actively marketing their programmes in India to attract Indian students in their own countries. Altbach[15] (2004) notes that the main motive behind it is to earn income from foreign students and keep subsidizing local education.

Export of Indian Education abroad

. Export of education from India results from Indian institutions operating abroad and foreign students joining educational institutions in India. Many Indian institutions are opening their branch campuses abroad and are rated high in quality. However, the number of such institutions abroad is lesser than foreign institutions in India. In the higher education segment some deemed universities such as BITS Pillani and MAHE, Manipal and private institutions such as NIIT India, besides some public institutions like Delhi university, IGNOU, SNDT college, Mysore university and Madras university are making their presence felt abroad. There are good prospects of popularizing Indian education abroad by enlarging the participation of Indian universities by taking pro-active policy measures.

BITS, Pilani, set up its Dubai campus in September 2000 in association with ETA - NET, a member of ETA - ASCON group. Students of BPDC will obtain their degrees from BITS, Pilani - India, after the successful completion of 8 semesters of program. Thousands of students study in Manipal institutions situated in Sikkim, Mangalore, Nepal, Malaysia and Dubai. At present 2081 foreign students are enrolled at MAHE. Most of the students are in the medical, mainly from USA, GULF, Sri Lanka and Malaysia. Indian origin students from 49 English-speaking countries are at present studying at MAHE.

Form BITS Pilani experience at Dubai, it is clear that initially it faced visa problem for students. There was also a compulsion to go for collaboration with a local partner. It was not possible for BITS Pilani to purchase land for developing sufficient infrastructure. Initially introduction of courses based on UAEs Islamic laws was insisted upon there was also problem of getting government job either in Dubai or outside, including India, for students having BITS Pilani degree. Sharing

[15]"Indeed, the primary goal of many of the branch campuses and transnational programs is to enrich the home campus."

of revenue did not pose a problem. For branch campus BITS Pilani pays 15% royalty per student.

Over time many problems were resolved as Dubai broadened the concept of export free zones where any university of world repute can come. The problems that still remain relate to:

- Visa restrictions
- Mutual recognition of degrees by both the government.
- Important lesson is that understanding domestic regulation of different countries where India wishes to export education is necessary so that limitations or restrictions to open branch campus can be overcome through negotiations.

From MAHE experience in Malaysia, it was clear that mutual co-operation of India and Malaysian government was crucial in establishing branch campus abroad.

The problem is that MAHE medical degree got recognition in Malaysia, but Medical Council of India does not recognize the degree. What should be the process of recognition of degree in India provided by reputed Indian institutions abroad (deemed universities/private institutions) is a vexed issue up till now.

Another important problem is that after getting MAHE medical degree students from 41 countries have to prepare themselves for clearing the examination in their our countries to practice medical profession. MAHE helps them to clear the examination. So from MAHE's experience too, the real issue is how the regulation of 41 countries can be streamlined? So this is also the question of mutual recognition of degree by the respective countries that need to be resolved. Connected with the issue of recognition is the issue of harmonization of degrees meaning thereby harmonization of years and content and the possibility of the transfer of credit.

There are also issues relating to Indian institutions collaborating with foreign universities and imparting education in India. Issues related to:

- Recognition of degree in India by the government.
- Ensuring the registration and quality assurance and thereby regulation of foreign education providers.
- Immediate concern is that there is no regulation except for AICTE. The terms of regulation should include issue of accreditation. The campus and land ownership restrictions are considered the stumbling blocks in the getting recognition of institutions.

An important aspect with respect to the co-ordination among different institutions may be pointed out. As an example, UGC and AICTE must co-ordinate in framing regulations. If AICTE frames the regulation allowing foreign institution/university on certain conditions, UGC should also move together as the right to grant a degree rests with the university which should be recognized by UGC only. Similarly if UGC grants a deemed university status to any institution thereby permitting the authority to grant a degree then MCI or DCI should also recognize the degree. It requires a process of prior consultation or removing of legal distortion that causes overlap of authorities. Co-ordination between state government and the central government and the regularity authorities is also important in matters of education policy. Recent example is Chattisgarh legislation on private universities and UGC's subsequent notification on putting scanner on the private universities. Hence it is necessary that state government should create any legislation only after proper consultation with the Central government and other regulatory authorities.

Mode IV: Presence of Natural Persons[16]:

This mode covers natural persons who are themselves service suppliers as well as natural persons who are employees of service suppliers. Mode 4 in GATS refers to the 'Supply of a service by a service supplier of one member, through presence of natural persons of a member in the territory of any other member'[17] 'The annex on the movement of natural persons' in the legal texts of the Uruguay Round of Multilateral Trade Negotiations specifies that the mode 4 service suppliers are those natural persons who seek *non permanent* rather than permanent residence or permanent access to the employment market of foreign countries. They also do not intend to obtain permanent citizenship[18].

Analysis of the responses of the developed countries indicates that, the movement of natural persons should be linked to mode III i.e., through commercial presence in the developing economies. Since India has got capabilities to provide various professional, technical, skilled services at various levels, it would be in the interests of India to liberalize the trade in education services through mode 4 without linking it to mode 3.

Since developed countries want to restrict the movement of natural persons through mode 4, they want restrictions such as Economic Needs Tests, Labour Market Tests pertaining to mode 4. Secondly, they also like

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[16] The analysis is taken from Bhushan (2004)

[17] GATS Article 1 (2) (d)

[18] WTO, 'General Agreement on Trade in Services, The results of the Uruguay round of Multilateral Trade Negotiations, The Legal Texts', the Annex on Movement of Natural Persons, 1995

to process all applications distinguishing work permits from residency permits. It would then be easier to identify work visas under mode 4 from residence visas. While later categories may be denied access legally under GATS rules, it would be easier to restrict and regulate work visas. Thirdly, developed countries want to open the movement of natural persons to a select category of specialists only.

Furthermore since developed countries want the movement of natural persons for commercial presence, they have a liberal approach to respective commitments. Firstly, they want under mode 4 all those business persons, to be treated as natural persons, that may have to stay within own or affiliate company for career development or training in business practices, even though these business persons are not service renderers or educators in the strict sense. They also want the commitment to allow for the automatic granting of spousal work rights for the spouses of intra corporate transferees. Secondly, the developed countries also want the 'service sale persons' to be treated as natural persons by virtue of not being based in the territory of the member service. Sales persons are basically the negotiators of sales, although not direct sellers to the public. For example, under this category, they may organize business services for education such as 'education fairs', seminars, etc., to attract students for studies abroad.

Now the question is: what is the scope of gains under mode 4 from the stand point of India that it should pursue in the negotiations under GATS. India has a large supply of manpower with varying skills and professional and technical experts.

Therefore, India's strategic approach should be to make firm stand on the liberalisation of the movement of natural persons. The following points need to be included in the negotiations.

- There should be elaborate classification of workers on the basis of ILO list. It should include workers of professional services, construction and related engineering services, computer services, services relating to agriculture and allied activities, hunting, forestry, health, tourism, travel, recreational, cultural and sporting, cleaning, etc., In education services teachers, lab technicians, researchers, professors should be included as natural persons.
- Visa rules for the movement of natural persons should be liberal. In fact member countries indicating the purpose and period of stay may issue GATS visa. Besides immigration procedures be simple.
- The word temporary should not be rigidly defined in terms of number of months/years. The period may be as per the need of foreign country.

- Quantitative restrictions on work permits should remain as per the clear and stated national interest.
- There should also be wage parity in the wages of natural persons with those of wages of Foreign Service provider's of similar types.
- Remittances made by natural persons to their host country should not be put to limitation.
- There should also be the provision for multiple entry of natural persons leading to the extension of period of original stay. For example, the entry of a teacher for original six months may further be extended if the same person is required to stay as researcher again for six months.
- Obstacles to entry in terms of economic needs test or labour market tests need to be rationalized. It should not be prohibitive of the movement of natural persons.

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शहीद (गुहा नियोगी पुस्तकालय एवं सांस्कृतिक केंद्र, भोपाल
पुस्तक देय तारीख -

शहीद शंकर गुहा नियोगी
पुस्तकालय एवं सांस्कृतिक केंद्र, भोपाल
(कमला सदगोपाल पब्लिक ट्रस्ट का एक कार्यक्रम)

परि. सं. . . . . कूट सं. . . . . .

1. देय तारीख तक किताब न लौटाने पर नियमानुसार विलंब शुल्क देना होगा।
2. यदि किसी और को जरूरत न हो तो किताब दोबारा जारी की जा सकती है।
3. किताब पर कोई भी निशान लगाना या कुछ भी लिखना सख्त मना है। इस पर दंड का प्रावधान है।
4. किताब को गंदा करने, फाड़ने, खोने या देय तारीख के 30 दिन के अंदर न लौटाने पर उसकी जगह वही नई किताब या दुगुनी कीमत देनी होगी।

कृपया किताबों को साफ़–सुथरा रखने में मदद करें।

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Two-Day Conference of Ministers of State Governments of Higher and Technical Education

Organized by the Ministry of Human Resource Development, Government of India, at Bangalore (10-11 January, 2005)

BACKGROUND PAPER

Issues relating to:

* Private Universities
* Self-financing Professional Institutions
* Foreign Universities in India

National Institute of Educational Planning and Administration
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Foreword

A two-day Conference of Ministers of State Governments and Secretaries/Principal Secretaries dealing with the subjects of Higher Education and Technical Education, is being convened on the 10th and 11th January, 2005 at Bangalore. The focus of discussions is (i) regulations of private universities (ii) admissions and fixations of tuition fee for professional education through self-financing private institutions and (iii) Entry of Foreign Universities in India.

On the request of Ministry, National Institute of Educational Planning and Administration, New Delhi has prepared the background paper on the above-mentioned issues for the benefit of discussion. The background paper has been prepared by Prof. Sudhanshu Bhushan, Senior Fellow, Higher Education Unit, NIEPA. It was further discussed in the faculty meeting on 03rd January 2005. The paper was further enriched after taking the feedback of the discussion.

In this background, the factual positions have been carefully narrated and the concerns have been flagged from the point of view of meeting the national objectives of higher education in India. The proposed discussion points leading to desired solutions have also been flagged. It seems that there is an urgency to deal with the issues and come out with a policy framework evolved through consensus. I hope this background paper will set in motion the process of effective consultations in the two-day Conference of Ministers of State Governments and serve the useful purpose.

Prof. Marmar Mukhopadhyay
Director
NIEPA

Preface

One of the most significant features of the 21st Century Higher Education is that it emerged against the backdrop of privatization and globalization. World over the spread of Higher Education was achieved through active state intervention throughout the previous century. State invested and set the directions of Higher Education. At the close of the previous century public funding for higher education has been on the decline and as a conscious effort or otherwise the space seems to have been partly filled by the active intervention of private players in the Higher Education.

The situation in Indian Higher Education system almost follows the above description. In this phase of transition the tools for policy could not evolve as fast as the change of the process itself. As a result sometimes at the level of practices situations were such that even demanded judicial interventions. Therefore, there seems to be a gap between judicial intervention and legislative and executive policy actions that reflect the compulsions of Indian civil society and democracy.

The result of course has been that the three issues such as (i) regulations of private universities (ii) admissions and fixations of tuition fees for professional education through self-financing private institutions and (iii) entry of foreign Universities in India, could not be effectively dealt with. The purpose of the consultative meet seems to be to achieve a democratic solution to the issues and put an end to all uncertainties, legal battles and generate the confidence among students, parents, management and above all the society for taking the Higher Education to the larger goal of achieving economic development.

It is against this background that the author has clarified the present situation with some historical developments.

Specifically the issue of private universities in India is the logical conclusion of the privatization. The role of any regulatory authority is to see that the larger goal of access, equity and quality are not ignored while considering any enabling framework for private university. Similarly the issue of admission and fees in the private professional colleges need to be looked into, given the parameters set by the judicial pronouncement of T.M.A.Pai case Judgment where the issue of autonomy of private professional colleges needs to be protected but at the same time the commercialization of higher education is to be prevented. Large uncertainties exist over the commitments to be made in Higher Education under GATS. The foreign universities are at present working under no regulation. The implications of foreign universities awarding degrees to the Indian students have no constitutional validity. There is the need for an effective legislation and operational framework to deal with the issues relating to foreign Universities.

The objective of the background paper is to enable the participants of the conference for an effective dialogue so that a near consensus emerges on all the issues referred to above. Hence, the discussion points have been separately prepared. The scheme of the background paper is such that before analyzing all the three issues one by

one a summary of arguments and discussion points have been given at the forefront for focused discussion on the issues.

I hope the background paper proves its utility for the conference. In preparing the background note I received the help from Dr. Nilay Ranjan and Mr. Vijay Vrat Arya in collecting various information. I had several rounds of discussion with Nilay. Mr. D. Kamaraj gave technical support. I express my thanks to them for their support. I alone am responsible for the facts and analyses presented in the paper.

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SUMMARY OF ARGUMENTS PRESENTED

I

Issues Relating to Private Universities in India

The first move towards private universities was initiated by the central government itself when bill no. LIX of 1995 titled 'The Private Universities (Establishment and Regulation) Bill, 1995' was introduced in the Rajya Sabha. The bill, however, is still pending in the Parliament.

Chhattisgarh state promulgated Private universities Act (2002). In terms of its provision universities can be established through notification in the official Gazzette. More than 100 private universities were established under Chhattisgarh. Later various other states such as Uttaranchal, Himachal Pradesh, Gujarat, Rajasthan came up with legislations on the establishment of private universities.

Constitutionally, private university can be established by separate act of Parliament or Assembly and the standards and co-ordination of universities is the responsibility of center. UGC and other standard setting institutions were empowered by an act to ensure the quality.

UGC came with regulation in December 27, 2003 to ensure that private universities are established in accordance with law and that these universities maintain standards and other conditions prescribed under it. Delhi High Court judgment also upheld the validity of UGC regulation (2003).

Some private universities are operating by openly defying UGC. One very crucial aspect is whether UGC's norms to maintain standards be taken into consideration before establishment of universities or not. If not, what powers exist for UGC to effectively maintain standards? Should UGC be empowered more by giving the power to revoke the title of university or degree? Alternatively, should not there be effective state level mechanism to ensure standards?

Establishment of private universities without any vision, plan, infrastructure, competent academic staff and research facilities will have adverse implications on the orderly growth of higher education. There is need to decide the policy framework for the operation of private universities in India. Discussion points are given in the next section.

II

Issues of Admission and Fees in Professional Private Un-Aided (Self-financing) Colleges in India

The four cardinal principles for orderly growth of private professional colleges in India relate to the private sector participation, raising access and equity to enlarge the base of professionals, balanced regional development and the process and performance based quality professional education in India.

The history of judicial pronouncements is necessary to understand to deal with the issue of admission and fees in Professional Private Colleges in India. Miss Mohini Jain case (1992) declared capitation fee as a consideration for admission to the said institution as illegal on the ground of denial of educational opportunities.

J. P. Unnikrishnan case (1993) held that *"Commercialization of education was not permissible"*. It formulated a scheme and directed every authority granting recognition/affiliation to impose that scheme. It related to 50% free and 50% payment seats. There were differential fees for the two categories. AICTE guidelines (1994) and Government of India policy guidelines (1997) were issued regarding admission and fees that seems to have settled the issue.

TMA Pai case judgment (2002) noted *"the decision on the fee to be charged must necessarily be left to the private educational institution"* and declared the scheme of J P Unnikrishnan case to determine admission and fees as null and void. As a result AICTE guidelines (1994) and Government of India Policy Guidelines (1997) also needed revision. Management quota was permitted. Surplus was allowed but no profiteering by private professional colleges. This led to the revision and hike in fees and countrywide protests as well.

Islamic Academy of Education and Another versus State of Karnataka and Others (2003) clarified above judgment and noted the scheme of State level Committee to oversee the admission and fees procedure.

In the light of previous judgment certain legislative and executive action is desired to end any uncertainty over admissions and fees. The proposed discussion points are listed in the next section

III

Policy Framework for the operation of Foreign Universities

Indian private educational institutions, found it profitable to offer many vocational courses, by collaborating with foreign universities/institutions to meet the market demand. This is how the foreign education providers created their space to operate in Indian higher education sector.

Constitutional Provision under UGC Act, 1956

- Under Article 22 of UGC a University can be established under an Act of Parliament or Assembly only. Only university can confer or grant a degree.
- No foreign institution or University under domestic regulation in India is a University.
- Therefore no foreign University under the present UGC Act can confer or grant any Degree.

Students prefer courses offered by foreign universities even though unrecognized in India. It has the implication that unregulated structure will lead to various unrecognized courses, and there may not be any standard setting institutions to monitor the quality. As such in the medium and long run, this will create chaos and confusion for the students to select the quality course and institution.

There are two fold reasons for a regulatory framework for foreign education providers in India. First, domestic compulsion to ensure quality and rational admission policy for greater access and equity and of course the establishment of foreign universities should be in accordance with the constitutional and legal framework. Second, it should also ensure that after India makes any commitment under GATS, regulation must be in conformity with GATS provisions and articles.

The scope of domestic regulations in the context of trans-national higher education should be to address the myriad concerns of the government, including student protection, advancing national goals and protecting the local system. Among other concerns of the government are: National values and priorities of the host country may be undermined by the presence of foreign providers not sharing such values, local academic may be exploited by foreign providers, local students may be misled by foreign providers offering sub standard courses.

Modes of Operation of Foreign University in India

- Twinning
- Franchisee
- Study & Examination Centers
- Multiple Collaboration
- Link Programme
- Programmatic collaboration
- Off Shore Campus

Above modes of operation conferring a foreign degree to Indian students is illegal and therefore need for a policy and regulatory framework

Policy Framework for Operation of Foreign Universities

- UGC Act 1956 to be amended to broaden the scope of universities to include different modes of providing foreign degree. Other conditions should be as follows
  - Partnership with public/Private institution under the control of University
  - Majority partnership stake with Indians
  - Registered with Indian partner under new nomenclature as a society or trust
  - Cannot operate under profit motive
  - Upper limit to the remittance of foreign exchange
  - Upper limit or cap on foreign investment, automatic route to be put up with
  - Franchisee not to be allowed

Registration and approval body will be a Council consisting of the heads of UGC, AICTE, DEC which will also frame various other aspects of admission, fees, registration and recognition and punitive measures, etc. for effective operation and desired control over foreign universities.

Summary of Discussion Points

I

Issues relating to Private Universities in India

- *Should there be central guidelines on the establishment of private universities?*
- *What are the essential conditions for the constitutional validity of private universities with respect to its establishment? Is separate Act necessary?*
- *Is the issue of maintenance of standards, which is constitutionally the center's responsibility, a separate issue unconnected with the establishment of private universities?*
- *If not, how is the UGC empowered to check the growth of low quality private universities?*
- *Should UGC be given the power to revoke university title or degree?*
- *Should there be compulsory accreditation of private universities by NAAC within three years of its establishment for quality assurance?*
- *UGC Regulation (2003) - What are the restrictive clauses for control?*
- *How quality private universities be promoted both with respect to teaching and research functions?*
- *Should parliament legislate on the private universities- the viewpoint may be expressed?*
- *Issues of Territorial Jurisdiction of public as well as private universities*

II

Issues of Admission and Fees in Professional Private Un-Aided (Self-financing) Colleges in India

- *Mode of entrance test: Can there be All India and state level tests with predetermined proportion of students with adequate management quota representation?*
- *Fixing of the uniform management quota*
- *Setting up of a permanent committee in each state to oversee the admission and fees structure*
- *How should the right of private professional colleges to fix up the fees be interpreted?*
- *What should be the basis of charging (fixing) the fees by institutions? Can it be linked to performance indicators as well, as a way to boost quality?*
- *How to ensure that institutions can earn the surplus but is not engaged in profiteering? This point is of utmost importance because government of India is concerned over the fact*

that institutions raised the fees by a very high margin almost overnight that led to protests at all India level by students bodies and in the Parliament.

- *Should there be fresh central government policy guidelines on admission and fees?*
- *Does the situation call for Parliament legislation for fixing the admission norms and the fees? If so, what should be the guidelines? If not, why not?*

III
Entry of Foreign Universities in India

- *Status of entry of foreign universities in India*
- *Mechanism and operation of foreign universities*
- *Implications in terms of access, equity and quality*
- *Issue of enabling policy guidelines*
    - *Basis of partnership*
    - *Registration under trust/society act*
    - *Guidelines on registration, recognition, admission, fees, curriculum*
    - *Issue of foreign direct investment in India*
    - *Remittances of foreign exchange*

BACKGROUND PAPER

Introduction

The present phase of privatization and globalization has been producing complex situations in the field of higher education for the policy makers to address. It is so because 21st century higher education scenario calls for newer assumptions, fresh analyses and sometimes bolder initiatives to keep pace with changes. No institutions at policy, planning, research and implementation level can afford to move slowly, as situations may change so fast that instrumentalities to serve national objectives may not prove to be effective.

Somewhat similar situation has cropped up when growth of professional private colleges and lately private universities were caught up in legal wrangles. Entry of foreign universities in India continues unabated without any regulatory framework. These developments have wide implications for access, equity and quality of higher education. The difficulty lies in the fact that there has been a loss in the relative autonomy to take policy decisions. There has also been an erosion of faith in regulatory disciplines. The market has pervasive influence in the minds of people. In this scenario instrumentality of consultative process enhances the space for policy decisions and increases the success of implementation.

The objective of the present background paper on the three crucial issues referred to above is to lay bare the historical developments and throw up issues for discussion in the light of broad national objectives which higher education is supposed to address. The three main sections that follow deal with somewhat interconnected issues one by one.

I

Issues relating to Private Universities in India

Introduction

World over the trends towards private universities have gained momentum in the last decade, although as a first step towards privatization the self financing private institutions began to operate under government control and later the self financing programmes in the public universities were also encouraged as a way out of the crisis of public funding of higher education. Deemed to be University duly approved under UGC Act is a new variant of self-financing type of institution, which provides a model of academic autonomy with functional efficiency. It is important to note that the phase of private universities in India is one of uncertainty, legal battles and open defiance of UGC authority. The present note is an attempt to understand some of the issues relating to private universities in India and find out ways to provide the desired directions of higher education.

Present System of Universities in India

Under the Constitutional provision given in entry 25 of list III under the seventh schedule (Article 246) central and state governments establish Multi faculty conventional universities. These are of both, unitary and affiliating types. Nearly 50% of universities in India belong to this category. There are also professional universities such as technical, medical, law, agricultural, which are established by state governments. They are also of unitary and affiliating types. The third category is of open universities established by central and state governments. These offer open and flexible education through distance mode using correspondence courses/modern educational technology like interactive TV, etc.

The practice of establishing deemed to be universities under private/joint sector began in 1986. These are established under Section 3(f) of UGC Act. Recommendation of UGC for according the status of a deemed to be university to an institution is to be accepted and notified by the Central Government. These may have single or multiple faculties. Apart from Universities and Deemed to be Universities, there are also some institutions offering professional UG, PG and research programmes established as Centers of Excellence, some by an Act of Parliament such as IITs and others at the instance of the Central Government such as National Law Institutes, National Institute of Design, Indian Institute of Management, National Institute of Fashion Technology, etc. Of the 255 universities, 182 are State Universities and 17 Central Universities. The number of deemed universities at present is 43. There are 12 "institutions of national importance", including 6 IIT's, established or so designated by Acts of Parliament.

Move towards Private Universities

The first move towards private universities was initiated by the central government itself when bill no. LIX of 1995 titled 'The Private Universities (Establishment and Regulation) Bill, 1995' was introduced in the Rajya Sabha by the then Minister of Human Resource Development, Shri Madhav Rao Scindia. The bill, however, is still pending in the Parliament.

Later Chhattisgarh state[1] promulgated an act to allow private universities to be established in the state. *Chhattisgarh government may by notification in the Gazette establish a university with the recognition and authorization to conduct a syllabus or to grant degrees or diplomas or awards. Such notification shall then be tabled in the Legislative Assembly. The Act allows, with the prior approval of the state government to affiliate any college or other institution or to set up more than one campus. The act allows the state government to inspect the university for the purpose of ascertaining the standards of teaching, examination and research.*

Gujarat notified two private universities (Dhirubhai Ambani Institute and Nirma Institute) through two separate Acts of legislature in March 2003. Orissa has passed a bill, which is soon going to be introduced. Uttaranchal has already established four universities through separate acts. A private (Zee) university was established in April 2003. Himachal Pradesh has set up the Jaypee University of Information Technology in

[1] Chhattisgarh Niji Kshetra Vishvidyalaya (Sthapana Aur Viniyaman) Adhiniyam 2002 is one such act passed by Chhattisgarh government. Many other states are also in the process of passing the acts allowing private universities to impart education in India.

2002. Madhya Pradesh is ready with its own draft bill. Sikkim has established Sikkim Manipal University and Maharashtra, Karnataka, Andhra Pradesh and Tamil Nadu are already running private medical and engineering colleges.

UGC's Control through Regulation (2003)

The Government of India published a Gazette Notification on December 27, 2003, *UGC Establishment and Maintenance of Standards in Private Universities Regulations, 2003.* Some of the important features regarding establishment and recognition of Private Universities are

- *Each private university shall be established by a separate State Act* (italics added- author) and shall conform to the relevant provisions of the UGC Act, 1956, as amended from time to time.
- Private university shall be a unitary university having adequate facilities for teaching, research, examination and extension services.
- A private university established under a State Act shall operate ordinarily within the boundary of the State concerned. However, after the development of main campus, in exceptional circumstances, the university may be permitted to open off-campus centres, off-shore campuses and study centres after five years of its coming into existence, subject to some important conditions such as: (i) The off-campus centre[2](s) and / or the study centre(s)[3] shall be set up with the prior approval of the UGC and that of the State Government(s) where the centre(s) is/are proposed to be opened. UGC retains the power to monitor and close down the centers in the case of unsatisfactory performance. Any off-shore campus(es)[4] in foreign countries shall be opened only after obtaining due permission from the Government of India and also that of the Government of the host country.
- A Private university shall fulfill the minimum criteria in terms of programmes, faculty, infrastructural facilities, financial viability, etc., as laid down from time to time by the UGC and other concerned statutory bodies.
- The programmes of study leading to a degree and/or a post-graduate degree/diploma offered by a private university shall conform to the relevant regulations/norms of the UGC or the concerned statutory body as amended from time to time.
- *The admission procedure and fixation of fees shall be in accordance with the norms/guidelines prescribed by the UGC* and other concerned statutory bodies.

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[2] "off-campus centre"* means a centre of the private university established by it outside the main campus (within or outside the State) operated and maintained as its constituent unit, having the university's compliment of facilities, faculty and staff.

[3] "study centre"* means a centre established and maintained or recognized by the university for the purpose of advising, counseling or for rendering any other assistance required by the students used in the context of distance education

[4] "off-shore campus"* means a campus of the private university established by it outside the country, operated and maintained as its constituent unit, having the university's compliment of facilities, faculty and staff.

Chhattisgarh Private University Amendment Bill (2004)

Responding to criticisms Chhattisgarh passed the Private University Amendment Bill (2004). It provided for State Regulatory Commission on the pattern of UGC to ensure academic standard of private universities, interest of students and service condition of employees. It requires deposit of endowment fund of Rs. 2 Crores as guarantee. It also requires to have 15 acres of land within municipal limit and 25 acres of land outside for permanent campus. 60 out of 97 universities who did not comply with requirements were denotified. Some more may be denotified when State Regulatory Commission begins to operate.

Legal Wrangles

Open Defiance of UGC Act, 1956

The controversy began with the Chattisgarh legislation on Private University act, 2002 that was also the first act on the establishment of private university. Section 22 of UGC Act, 1956 notes "that the right of conferring or granting degrees shall be exercised only by a University established or incorporated by or under a Central Act, a Provincial Act or a State Act or an institution deemed to be a University under section 3 or an institution specially empowered by an Act of Parliament to confer or grant degrees". Using this provision UGC (2003) issued a regulation by which the private university shall be established by a separate State Act. This meant necessary modification was required in Chhatisgarh Act (2002). This was, however, not complied with although Chhatisgarh (2004) Private University Bill was passed in 2004. In fact Rajasthan came up with another ordinance in 2004 entitled "Rajasthan Self-Financed Private Universities Ordinance, 2004". The ordinance states that the State Government may by notification in the Official Gazette, establish a university with such name, location, jurisdiction and with such conditions as may be specified in such notification. The question is: Is a separate act necessary for the establishment of every university in terms of provisions of section 22 and section 23 of UGC Act, 1956? It may also be asked is such a provision, if it exists, necessary? If a separate act is necessary then universities established under Chhatisgarh legislation are illegal and the Rajasthan ordinance also stands null and void. It also means open defiance of UGC Act, 1956.

Public Interest Litigation Filed by Prof. Yashpal

Eminent educationist and former Chairman of UGC Prof. Yashpal filed a PIL in the Supreme Court of India, challenging the validity of Chattisgarh Act, which allegedly allows the registration of private universities without basic education facilities. Indeed there are various newspaper reports that point to the lack of basic physical and academic infrastructure in the universities established under Chattisgarh Act. UGC also established a committee to oversee the functioning of private universities which submitted its report that reportedly pointed to the inadequate infrastructure of the private universities. The decision of the court is eagerly awaited on the PIL. However, legal solutions have raised more questions than it has solved, it is pertinent that central government through its legislative and executive powers sort this issue out.

Delhi Court Case of Quashing UGC (2003) Regulation

Dr. C V Raman University under Chhattisgarh and The Institute of Chartered Financial Analysts of India University under Uttaranchal have petitioned the Delhi High Court to quash the UGC Establishment and Maintenance of Standards in Private Universities regulations, 2003. The universities argued that their status under state law is legitimate, and as they receive no funding through the UGC, they should not be subject to its rulings. The court was informed that the UGC wanted to "control" the private sector and not merely assure its quality. On March 22, 2004 the Delhi High Court upheld the UGC's 2003 regulations and issued notices to the governments of Chhatisgarh and Uttaranchal. The two petitioning universities were asked to file replies by April 27, 2004. The point to note is that if UGC's regulation (2003) is held as valid and also universities under Chhattisgarh continue to provide degrees then executive/legislative action may be called for to comply with the regulation.

UGC's Power to Revoke University Title or Degree Awarding Powers

It is also argued that UGC Act, 1956 does not empower the UGC to revoke university Title or Degree. In fact clauses to this effect were removed from the original 1951 Bill following pressure from the states. However, there is a reference to "approval" of all the degrees by the UGC, and this has generally been the convention over the years. As a result UGC cannot demand that private universities relinquish university title. It can only assert that its founding act gives it the right to oversee the 'minimum standard' of all universities in India whether public or private, state or federally constituted[5]. Can it be considered to give UGC more teeth by enabling UGC to provide the power to derecognise the university title or degree. Amrik Singh (2004) notes that the states would still oppose such a provision (p.24-5). This issue acquires greater importance now. The Ministerial Meet must discuss some authority to center or state or UGC to revoke university Title or Degree or some alternative mechanism such as 'Fitness-to-Function Norms' to be prescribed by UGC (See Singh Amrik, 2004, p.25).

Territorial Jurisdiction of Private University

Territorial Jurisdiction is yet another feature of traditional universities. The reason must have been that in a federal setup the jurisdiction of a university established by a state act cannot be applied to other state. Further within a state there is no territorial jurisdiction, yet for the purposes of avoiding confusion ordinarily territorial jurisdiction is followed for each university. The Model Act of UGC[6] states that the concept of territorial jurisdiction is no more relevant in the age of borderless education, triggered by the *ICT* revolution.

In the case of private university, UGC 2003 regulation prohibits off campus and study centers of private universities in other states. The recent norm of UGC[7] states that franchising through off campus study centers is limited only to the courses of universities conducted under distance learning.

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[5] See Garrett Richard (2004)

[6] UGC 2003, The Model Act for Universities of the 21st Century in India, October 2003 at the UGC Website: www.ugc.ac.in

[7] UGC, 2004, Franchising of Higher Education through Off campus Study Centres: UGC norms, UGC News, 11(1): 38-44

The off-campus centers and study centers, functioning as separate entities engaged in teaching, are supposed to come under the purview of Section 2f of the UGC Act. This is an open fact that universities established under Chhattisgarh Act have their off campus centres outside Chhattisgarh.

The dilemma with respect to the territorial jurisdiction is that "off campus centers" may be desirable in the present context of cross border education, yet it throws open the problem of regulating the standards at these centers. The situation with respect to study centers with franchisee arrangement under private sector is denial of UGC regulations.

Present Concerns for Private Universities in India?

As noted earlier, private universities are the logical outcome of privatization in higher education. If deemed to be universities provide an example of quasi privatization, the private universities are models of full privatization. So far as demand side analysis is concerned, there exists a middle and high-income group clientele, although access to private universities will be limited due to higher fees charged by them. From the supply side the private universities may create a niche for themselves for courses that fetch employment to attract students. The point to note is that there cannot be a market-clearing price for the output and there may not be research and quality orientation. This is what provides cause for concern.

Policy Framework for Private Universities

There is, therefore, need to address above concerns, namely, those relating to cost and quality. A policy framework for private universities must guarantee how within a framework of constitutional provision these two concerns are addressed?

More specifically discussion on following issues relating to the establishment and maintenance of standard of private universities may take place.

- *Should there be central guidelines on the establishment of private universities?*
- *What are the essential conditions for the constitutional validity of private universities with respect to its establishment? Is separate Act necessary?*
- *Is the issue of maintenance of standards, which is constitutionally the center's responsibility, a separate issue unconnected with the establishment of private universities?*
- *If not, how is the UGC empowered to check the growth of low quality private universities?*
- *Should UGC be given the power to revoke university title or degree?*
- *Should there be compulsory accreditation of private universities by NAAC within three years of its establishment for quality assurance?*
- *UGC Regulation (2003) - What are the restrictive clauses for control?*
- *How quality private universities be promoted both with respect to teaching and research functions?*
- *Should parliament legislate on the private universities- the viewpoint may be expressed?*

II

Issues of Admission and Fees in Professional Private Un-Aided (Self-financing) Colleges in India

The Growth of Professional Colleges

There are following four characteristics of the growth of professional education in India.

(1) **Private Sector Dominance:** Various professional disciplines such as Engineering and Technology, Medical and Health Sciences, Management and Teacher Education were dominated by the private sector. Almost three quarters of the institutions were in the private sector. (See appendix-1). It means self-financing private unaided sector is too important to be ignored in professionalisation of human resources in India - so crucial a factor in the development of knowledge society.

(2) **Narrow Enrolment Base:** Of the total enrolment of 8.8 million in 2001-02, Engineering and Technology barely accounted for 6.83% enrolment, medical accounted for 3.13% and education and agriculture accounted for 1.30 and .60% respectively. (See appendix-2) It is important to note that the access to professional institutions in India needs to be raised to increase the enrolment of professional to total enrolment. A smaller base of professional enrolment is neither good for education nor for the economy. It clearly implies that higher education policy makers and the planners must address the admissions and the fees policy that supports higher participation.

(3) **Regional Bias:** There is a strong regional bias in the distribution of professional institutions. Here the divide exists between the north and the south. Southern states such as Andhra Pradesh, Maharashtra, Tamilnadu, Karnataka and to some extent Kerala account for the bulk of the professional institutions in India, mostly in the private sector. For example, out of the total 977 Engineering and Technology institutions above mentioned five states accounted for 635 institutions i.e. roughly 66% of total institutions in five states alone. Private sector in five above states account for over more than half of the total Engineering and Technology institutions in India. Similar north-south divide exists in other branches of professional education in India. (See appendix-3). This has an important implication for the northern states. Since most of the students from the poor northern states take admissions in the private professional institutions, higher the fees structure higher is the drain of money from the north to the south. This fact has very important implication in terms of policy and planning design of professional institution.

(4) **Ambiguous Quality:** Quality is a very important yardstick of the development of professional institutions. Hardly a research study exists that could focus the quality aspects of the growth of professional institutions in India. There are good quality public professional institutions; some are average but large number of less than average quality institutions exist under the government sector. So far as the private institutions are concerned some of the well-managed trusts have good institutions but most private institutions lack quality. An important argument put forward by private professional colleges in favour of the autonomy of fixing fees is that quality is dependent on the availability of infrastructural facilities such as the library, laboratories, computer

facilities, classrooms, in short, the input factors. Neither in their arguments nor in the government's approaches in determining fees the process and the output or performance indicators are instrumental in promoting quality of professional education in India. Indeed in terms of global standard quality of professional institutions in India may be said to be less than average.

The four scenario presented in the growth of professional colleges in India also presents the four cardinal principles for orderly growth. These relate to the private sector participation, raising access and equity to enlarge the base of professionals, balanced regional development and the process and performance based quality professional education in India.

Important Assumptions Setting the Directions of Growth of Professional Colleges

In recent years there is a distinct trend in the growth of private professional institutions. For example, both in terms of institutions and the intake at the undergraduate degree level in engineering the percentage of institutions and enrolment in the private sector in the total has gone up from 76% in 1999-2000 to 85% in 2003-04. This calls for the analysis. The reasons are to be found; first, in the shift in the assumption that higher education is a non-merit good and, therefore, government could afford to withdraw subsidies (Government of India, 1997). This was important factor in the growth of private sector. Secondly, for a long time it was felt that private sector growth would find its own equilibrium in terms of number and price. What it effectively meant that demand supply mechanism would guide the growth of professional colleges. This was a wrong presumption. An effective, implementable and early policy guideline to manage the growth of private professional colleges was desirable. Short-term approach to solve immediate problem furthermore added to the chaotic growth scenario. This was possibly the reason that Hon'ble court had to interfere time and again in the matter of admission and fees regulation of private colleges. The thinking in the mind of the policy makers that judicial intervention will ultimately settle the vexed issue of admissions and fees also did not last long, as we will see the important milestones in the judgment even today raises more questions than it sorts out.

The point to note is that public and private dichotomy is a false dichotomy. The higher education is both a public as well as private good. The externalities of higher education and research are large enough to justify it as public good and hence government's bigger commitment for professional education is essential. At the same time benefits that accrue to an individual entitles him to a job in the corporate sector that fetches the income to the individual. Hence there exists reason to charge for professional education. Similarly, market needs to be fine-tuned to maintain quality, raise access and follow equity. Lastly government must act in a proactive way with certain vision such as to build a world-class professional army.

It is against this backdrop that the issue of admission and fees policy in the private professional colleges demands a state level consultation for an orderly growth of professional colleges in India. Before elaborating on the specific issues it would be necessary to understand various judicial pronouncements as these in a certain sense not only set the directions of growth but also act as parameters for the growth as it has the legal status.

Judicial Pronouncements

Miss Mohini Jain versus State of Karnatka and Others (1992)

In this case the petitioner had challenged the notification of the Government of Karnataka permitting the private medical colleges in the state to charge higher tuition fees from students of other states. Colleges in Karnataka contended that they had to charge fees according to the capital cost and expenditure, as they do not receive any aid from the government. The judgment noted that the denial of educational opportunities by charging capitation fees amounts to the denial of the fundamental rights in more than one ways and as such *"it is not permissible in law for any educational institution to charge capitation fee as a consideration for admission to the said institution". However institutions were free to charge differential fees from foreigners and NRI's.* The court, however, failed to suggest options for the funding of private institutions.

J P Unnikrishnan and Others Versus State of Andhra Pradesh and Others (1993)

In this case petitioners challenged the decisions regarding charging of fees as given in the Mohini Jain Case. The petitioners also challenged various state acts that prohibited the capitation fees in Andhra Pradesh, Maharashtra and Tamil Nadu. In Unnikrishnan Judgment in 1993 it was held that *"Commercialization of education was not permissible and it was opposed to public policy and Indian tradition and the charging of capitation fee was illegal".* In this judgment court issued guidelines regarding admission criteria in the professional unaided colleges, ceiling of fees, process of regulation under regulatory body and also suggested mechanism for regulation. In this judgment the issue of private aided recognized/affiliated educational institutions seems to have been settled as the power to frame rules and regulations in terms of admission and fees was already under the government or government run university/deemed to be university. The Court then formulated a scheme and directed every authority granting recognition/affiliation to impose that scheme upon institutions seeking recognition/affiliation, even if they were unaided institutions. The scheme that was framed, *inter alia*, postulated

a. that 50% of the seats in every professional college, established under a trust or society act or under state act should be filled by the nominees of the Government or University, selected on the basis of merit determined by a common entrance examination, which will be referred to as "free seats", the remaining 50% seats ("payment seats") should be filled by those candidates who pay the prescribed fee. The allotment of students against payment seats should be done on the basis of inter se merit determined on the same basis as in the case of free seats

b. that there should be no quota reserved for the management or for any family, caste or community, which may have established such a college

c. that it should be open to the professional college to provide for reservation of seats for constitutionally permissible classes with the approval of the affiliating university

d. that the fee chargeable in each professional college should be subject to such a ceiling as may be prescribed by the authority or by a competent court

e. That every state government should constitute a committee to fix the ceiling on the fees chargeable by a professional college or class of professional colleges, as

the case may be. This committee should, after hearing the professional colleges, fix the fee once every three years or at such longer intervals, as it may think appropriate

f. That it would be appropriate for the University Grants Commission to frame regulations under its Act regulating the fees that the affiliated colleges operating on a no grant-in-aid basis were entitled to charge. The AICTE, the Indian Medical Council and the Central Government were also given similar advice. The manner in which the seats were to be filled on the basis of the common entrance test was also indicated.

T M A Pai Foundation and Others Versus State of Karnataka and Others (2002)

In this case the petitioner contended that the judgment of the J P Unnikrishnan case adversely affected the autonomy of private institutions and hence needed reconsideration. The judgment delivered by the Chief Justice of India who presided over the 11- member bench, recognized the role of private initiatives. It made the observation that *" the state with its limited resources and slow moving machinery is unable to fully develop the genius of the Indian people".*

TMA Pai judgment in 2002 referred to the Unnikrishnan case and stated as follows, *"The hard reality that emerges is that private educational institutions are a necessity in the present day context. It is not possible to do without them because the Governments are in no position to meet the demand - particularly in the sector of medical and technical education, which call for substantial outlays. While education is one of the most important functions of the Indian State it has no monopoly therein. Private educational institutions - including minority educational institutions - too have a role to play"*

J. P. Unnikrishnan's case presumably adversely affected the autonomy of private institutions and it noted in Para 45 of the judgment that *"in view of the discussion hereinabove, we hold that the decision in Unnikrishnan's case, insofar as it framed the scheme relating to the grant of admission and the fixing of the fee, was not correct, and to the extent, the said decision and the consequent directions given to UGC, AICTE, Medical Council of India, Central and State governments, etc., are overruled".* Effectively can we say that the judgment held as invalid, the concept of 'free seats' and 'payment-seats'? This was so as in Para 56, the judgment furthermore noted *"the decision on the fee to be charged must necessarily be left to the private educational institution that does not seek or is not dependent upon any funds from the government".*

In para 57 the judgment held that *"..... the government can provide regulations that will ensure excellence while forbidding the charging of capitation fee and profiteering by the institution..... There can, however, be reasonable revenue surplus which may be generated by the educational institution for the purpose of development of education and expansion of the institution".* In Para 58, it was noted, *"For admission into any professional institution merit must play an important role ..... Appropriate regulations for this purpose may be made keeping in view the other observations made in this judgment in the context of admission to unaided institutions".* The judgment furthermore defined merit in terms of marks obtained in the qualifying examination or the marks obtained in a common entrance test.

In Para 67, *"We now come to the regulations that can be framed relating to private unaided professional institutions... it would, therefore be permissible for the university or the government, at the time of granting recognition, to require private unaided institutions to provide for merit-based selection while giving the Management sufficient discretion in admitting students... For, instance, a certain percentage of the seats can be reserved for admission by the Management out of those students who have passed the Common Entrance Test held by itself or by the State/University and have applied to the college concerned for admission, while the rest of the seats may be filled up on the basis of counseling by the state agency... The prescription of percentage for this purpose has to be done by the government according to the local needs".*

Islamic Academy of Education and Another Vs. State of Karnataka and Ors (2003):

The judgment of the Supreme Court in the TMA Pai case created buoyancy, which believed that they gave them the autonomy regarding fixation of fees and mode of admission although the government interpreted it otherwise. Litigations followed and in view of this the Supreme Court set up a five-judge bench for the Islamic Academy of Education Vs. The Government of Karnataka Case to clarify the earlier Supreme Court judgment. The following questions were taken up for consideration by the 5-judge bench:

1. Whether the educational institutions are entitled to fix their own fee structure?
2. Whether minority and non-minority institutions stand on the same footing and have the same rights?
3. Whether private unaided professional colleges are entitled to fill-in their seats, to the extent of 100 per cent, and if not to what extent?
4. Whether private unaided professional institutions are entitled to admit students by evolving their own method of admission?

In relation to the first question, a 4-judge majority judgment clarified that the government cannot prescribe a rigid fee structure. Every institution must have the right to fix its fees in accordance with the costs. They can also generate a surplus to be used for the betterment and growth of the institution. However, there can be no profiteering and capitation fees cannot be charged. The proposed fee structure will have to be submitted to a Committee headed by a retired judge to be nominated by the Chief Justice of the State. The other member of the committee will include a Chartered Accountant, a nominee of the AICTE/MCI and the Secretary of the State in charge of technical education/medical education. Other details are as under:

1. The institutions shall charge fees only for one year, in accordance with the rules and not the fees for the entire course.
2. Care be taken that the institutions do not indulge in profiteering or otherwise exploiting students financially.
3. Fees once fixed shall not be changed for a period of three years, unless there exists an extraordinary reason.
4. The fees fixed by the institutions should be approved by the authority/body of the concerned State.

5. No institution should charge any fee beyond the amount fixed and the fees charged shall be deposited in a nationalized bank.
6. The statutory authority can frame rules for imposing penalties in case of any contravention and the penalty may be ten to fifteen times of the amount so collected and it can de-recognize and cancel recognition.
7. The fee already collected for long terms should be kept in a fixed deposit in a nationalized bank and the interest accrued should be given to the students.
8. However, the management can insist on a bond from the students when they are seeking admission.

In relation to questions 3 and 4 the 4-judge majority judgment pointed out that the majority judgment in the T.M.A. Pai Foundation case makes a distinction between private unaided professional colleges and other institutions. Regarding admission to various programmes it is clarified that:

1. Individual institutes cannot hold their own Entrance Tests. Institutions will have to make admissions on the basis of the Common Entrance Test conducted by the State Government or by an association of all colleges of a particular type.
2. The admissions should be based on merit in the Common Entrance Test, except for the percentage given to the management.
3. The management quota, which is to be determined by the concerned government, should be filled from the students successful in the common entrance test.
4. Institutions that have been conducting their own tests for at least 25 years can approach the committee for approval for continuing such tests.
5. The states have been directed to appoint a permanent Committee, which will ensure that the tests conducted by the association of colleges, is fair and transparent. A retired Judge of the High Court, to be nominated by the Chief Justice of the State, Should head such committees, the other members being an eminent engineer/doctor and the Secretary of the concerned department.

Admission Structure Regulations AICTE (1994) and MHRD Policy Guidelines (1997)

Given two previous judicial pronouncements, it is now necessary to understand the role of AICTE in framing admission and fees regulations. AICTE was established by AICTE Act, 1987. Its functions are Planning, co-ordination, promotion of quality and maintenance of standards of technical education system in the country. National Board of Accreditation was established in 1994 under section 10(u) of AICTE Act, 1987. It was established with a view to assess standards of quality of education, to assess and accredit institutions imparting technical education in India. It is also a recommending body regarding recognition and derecognition of institutions from the point of view of standard setting. Admission Structure Regulations AICTE, 1994 were issued under the directions of 1993 court judgment that laid down the procedure for admission and State level Committee's role for determination of tuition and other fees in a professional college.

However, AICTE will have the authority to fix the number of seats in each professional college as the standard setting condition. It stands intact even after the T M A Pai Case judgment, 2002. It means that AICTE will have the authority to fix the number of seats in each professional college but will have no authority to determine the procedure for admission of students and fixation of fees. The procedure for the allotment of seats in AICTE regulation in the light of Unnikrishnan case judgment may not hold valid as Para 45 of the T M A Pai Case judgment quoted above overrules the scheme relating to the grant of admission and fixing of fees in Unnikrishnan case. It means to that extent the provisions of AICTE regulation, particularly relating to the distinction between free and payment seats stands overruled. Indeed AICTE's various other procedures for allotment of seats and the fixing of fees also stand overruled as autonomy to determine fees now rests with the private professional colleges.

Later Ministry of Human Resource Development (Department of Education) New Delhi, the 18th March, 1997 issued Policy on Fee Fixation in Private Unaided Educational Institutions imparting Higher and Technical Education including Management Education[8]. As we can see not only the various provisions of AICTE regulation 1994 but also the policy guidelines of MHRD, issued in 1997 approved by the President of India does not stand as valid after T M A Pai case judgment. More specifically we see that clause 6 under AICTE act under procedure of allotment of seat relating to management seats may not hold now. This has also created uncertainty with respect to management quota. While Haryana government has fixed up 25% as management quota, Kerala and Tamil Nadu's government notification fix the management quota at 50%. This is indeed very serious matter. This has created an uncertainty as existing policy guidelines of the government itself stands as invalid. There are also disputes over the settlement of fees by the government. The Association of the Managements of Un-aided Engineering Colleges (Maharashtra) has complained that private engineering colleges have the power to the determination of fees and as such in all likehood private colleges may defy the state government's notification

There is a need, therefore, to think afresh on the policy guidelines considering the judgment both of the T M A Pai case and the Islamic Academy of Education and Another versus State of Karnataka and Others case. The specific points for discussion may be enumerated:

- Mode of entrance test: Can there be All India and state level tests with predetermined proportion of students with adequate management quota representation?
- Fixing of the uniform management quota
- Setting up of a permanent committee in each state to oversee the admission and fees structure
- How should the right of private professional colleges to fix up the fees be interpreted?

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[8]A meeting of State Higher and Technical Education Ministers was convened by the Union Minister of Human Resource Development on 10th December 1996 wherein it was decided that self-contained policy directions could be issued applicable to sectors of education, falling within the purview of the Ministry of Human Resource Development, namely Higher and Technical Education.

- What should be the basis of charging (fixing) the fees by institutions? Can it be linked to performance indicators as well as a way to boost quality?
- How to ensure that institutions can earn the surplus but is not engaged in profiteering? This point is of utmost importance because government of India is concerned over the fact that institutions raised the fees by a very high margin almost overnight that led to protests at all India level by students bodies
- Should there be fresh central government policy guidelines on admission and fees?
- Does the situation call for Parliament legislation for fixing the admission norms and the fees? If so, what should be the guidelines? If not, why not?

There is also another dimension to the issue of admission and fees. The recent Supreme Court judgment in August again raised the issue of education as fundamental right. The matter also came up in the parliament and members expressed dissatisfaction over rising fees for professional courses in self-financing private un-aided institutions. There cannot be denial of the equality of opportunity as provided in the fundamental right.

Some Recent Developments

The Hindu in its report on August 23, 2004 reports that 32-member all-party delegation from Karnataka, led by the Chief Minister, N. Dharam Singh, today urged the Center to enact legislation on admission to private unaided professional colleges. The delegation submitted a memorandum to the Union Human Resource Development Minister, Arjun Singh, and made out a case for promulgating an ordinance after the current session of Parliament is over. Karnataka is the first State to formally approach the Center for such legislation and the Ministry is awaiting similar formal requests from other States.

The Hindu in its report on August 23, 2004 also reported that the HRD ministry has decided to bring a central legislation to put an end to the chaos raging in private professional colleges over haphazard admissions and continuous fee hikes. The proposed legislation would bring a uniform admission and fees policy for all private colleges. They have been arbitrarily fixing the number of management or paid seats and charging exorbitant fees for them.

III

Entry of Foreign Universities in India

How the Foreign Education Providers made their inroads into India?

Higher education in India developed from elite to mass based educational institutions in the post independence era. It met the functional requirement of the economy. In the 1980's the phenomenon of globalisation and economic reforms in India led to further diversification of industries and service sectors in India. As such there was need for diversified educational programmes and professionals to meet the needs of industry. The public system of Higher Education institutions in India was not quick to respond to changing market demands. The domestic regulation permitted only the public

universities/deemed to be universities to provide degrees. There was absolutely no space for private education providers to offer educational programmes in response to the changing demands of the industry.

Under this circumstance, Indian private educational institutions, which found it profitable to offer many such vocational courses, preferred to collaborate with foreign universities/institutions to meet the market demand. This is how the foreign education providers created their space to operate in Indian higher education sector.

Course-wise Presence of Foreign Institutions

It is important to know that in an unregulated scenario, how the market behaves so far as the preference of courses offered by the Foreign Education Providers in India is concerned.

The table given in Appendix V from a study conducted by NIEPA (Interim Report, 2004) shows that majority of the Foreign Education Providers are providing professional/vocational courses. Out of the total sample of 131 institutions, 107 were providing vocational course. 19 of that are in technical course and only 5 such institutions are providing general education. The data shows that in the category of vocational course – management course are most popular. Business Management & Hotel Management constitutes approximately 80% of the total number of courses. The table also shows that Maharashtra has the maximum number of programs in hotel management. Delhi has the maximum number of program in Business management. In technical course at present not much interest is shown although 19 institutions are active in technical sectors as well.

It shows that foreign institutions are taking advantage of the demand for vocational courses. As it has the potentials for employment in the private sector, students prefer such courses even though unrecognized in India. It has the implication that unregulated structure will lead to various unrecognized courses, and there may not be any standard setting institutions to monitor the quality. As such in the medium and long run, this will create chaos and confusion for the students to select the quality course and institution.

Need for Domestic Regulation

Need for domestic regulation arises not only from the point of view of protecting students from low quality delivery of courses by foreign institutions but there is also the context of GATS. Article VI of GATS agreement pertains to domestic regulation under GATS. There are following provisions under article VI that are applicable to sectors where commitments are undertaken. Article VI.1 states reasonable, objective and impartial administration in case of any foreign providers of education services. Article VI.3 notes that decisions on applications should be taken in a reasonable period. Article VI.6 talks of well laid down procedures to verify competence. Then there are provisions, which are applicable to all sectors, irrespective of commitments. VI.6 states that there must be procedure for review of administrative decisions that affect trade in service. Given that there are two fold reasons for a regulatory framework for foreign education providers in India. First, domestic compulsion to ensure quality and rational admission policy for greater access and equity and of course the establishment of foreign universities should be in accordance with the constitutional and legal framework.

राष्ट्रीय शैक्षिक पुस्तकालय एवं सामग्री

Second, it should also ensure that after India makes any commitment under GATS, regulation must be in conformity with GATS provisions and articles.

Domestic Regulation: Example of China

So far as the domestic regulation in different countries are concerned, there are asymmetries in approaches. There are some countries that intend to use it with a view to promote competitiveness. Others that are sceptical, especially among developing economies, use domestic regulation more as a tool to protect the national educational system against the onslaught of foreign educational institutions. In the latter set of countries consistency with the goals of the GATS may not necessarily be achieved.

The scope of domestic regulations in the context of transnational higher education should be to address the myriad concerns of the government, including consumer protection, advancing national goals and protecting the local system. Among other concerns of the government are: National values and priorities of the host country may be undermined by the presence of foreign providers not sharing such values, local academic may be exploited by foreign providers, local students may be misled by foreign providers offering sub standard courses.

In the context of GATS China introduced the legislation on transnational provision of education services in March 2003 and September 2003. Major features include the stipulation that foreign institutions must partner with Chinese institutions; partnership must not seek profit as their objective; no less than half the members of the governing body must be Chinese citizens and the post of President or equivalent must be a Chinese citizen; the basic language of instruction should be Chinese; and tuition fees may not be raised without approval. (See Garrett Richard, 2004 a)

The discussion given above provides a hint that policy guideline for the operation of foreign education providers must ensure the constitutional and legal validity of their operation in India. There must also be well laid down procedure that conforms to GATS articles. Most importantly, in the interests of students and country quality restrictions and decision making power to approve the courses must be in the hands of regulatory authority such as UGC, AICTE or any standard setting institutions

Enabling Policy Guidelines for the Operation of Foreign Universities in India

It must be clarified that policy guidelines under the domestic regulation in India should clearly distinguish between the offshore campus of foreign universities in India and other forms of foreign provision of education such as twinning, franchisee, programmatic collaboration, study centers and linked programmes leading to the award of foreign degree in India.

Offshore Campus

Offshore campus may be of two types: (1) Sole subsidiary of foreign university having a branch campus in India (2) Subsidiary of foreign university having an Indian partner – public or private- opening a branch campus of foreign university in India. An Indian partner will be the one covered under section 2f or 3 of the UGC act or the one authorized by the central government.

If the condition of registration under a trust or Society's Registration Act or Company's Act is invoked then a foreign institution cannot be registered in India and

sole subsidiary of foreign university having a branch campus in India is ruled out. The only possibility exists for subsidiary of foreign university having an Indian partner – public or private- opening a branch campus of foreign university in India under a new nomenclature as it can get itself registered under trust. Example: Oxford University can set up a branch campus with, say, Indian partner under a nomenclature 'Oxford India' after duly registered under trust or Society's Registration Act. Secondly, this entity Oxford India as a trust will have to obtain the approval of RBI for the purposes of FDI or for the purposes of remitting the foreign exchange. Thirdly, for the purposes of degree granting authority the scope of university under UGC Act will have to be extended to include the present category of branch campus of foreign university under a new nomenclature registered under trust. Fourthly, among other provisions the important ones are

i. **FDI Condition**: instead of automatic route there should be a cap on foreign investment with majority investment by the Indian partner as education is a public good and it should not be considered primarily as a source of foreign exchange

ii. **Majority Indian Partner**: The Governing Board of above said institution should have majority Indian partner.

iii. **Upper limit to the remittance of foreign exchange**: There should be an upper limit to the remittance of foreign exchange as return of foreign services. All other conditions relating to registration, approval, admission, fees, nomenclature of degree, authority to inspect are given at the end of section.

Franchisee

Under this arrangement foreign institutions grant the permission to another institution in another country to execute their programme with their name, curriculum, evaluation methods. In this arrangement foreign institutions franchise a programme to Indian organization that offers these programmes under the direct supervision of the foreign institutions. Presently two foreign institutions Wigan & Leigh, UK and Western International University are providing degree under Franchisee arrangement.

In this case also foreign university will have to register under trust or Society's Registration Act with Indian partner under new nomenclature as in the case of offshore campus. All other conditions, as discussed above, will apply. For the purposes of degree granting authority the scope of university under UGC Act will have to be extended to include the present category of franchisee as well. It may, however, be debated whether the franchisee mode of foreign provider of education be allowed to operate in India. Franchisee is normally taken for the brand name and how well it operates depends on partner institutions ability to run the programme or the willingness of the foreign university to keep a proper watch on its franchisee unit.

Twinning and Link Programme

Twining programmes are those wherein students can complete part of their study in India and part in foreign university. The twinning arrangement may be optional to the students. It is one of the most preferred modes because foreign institutions have least stakes and maximum income. On the other hand, students, too, prefer this mode because it provides them least cost opportunity to earn foreign degree

with outside exposure. Of course in many cases, students feel the difficulty of obtaining visa even when their admission under twinning arrangement is granted by foreign university. Link programme differs from twinning in the sense that for a part study that is completed in India a student is awarded a diploma or degree in India. A foreign university recognizes in part or full the credit earned for the Indian qualification and allows the student to earn a foreign degree in foreign university. Since foreign degree earned through link programme is entirely the responsibility of foreign institution and is also earned in foreign land, there is no need for enabling provision in domestic regulation. At best equivalence will take care of the foreign degree for the purpose of higher studies and employment.

So far as twinning arrangement is considered, if the twinning leads to the award of foreign degree alone then equivalence of foreign degree may have to be found out. If there is a joint degree both by Indian partner and foreign university then recognition of foreign degree demands that among other conditions discussed above, for the purposes of degree granting authority the scope of university under UGC Act will have to be extended to include the present category of twinning as well.

Programmatic Collaboration

The programmatic collaboration enables a student to complete study in India and get joint degree i.e., (foreign as well as public/private education institutions). It has its own attraction, as it is one of the cheapest ways to earn foreign degree. Various types of inter institutional collaboration exists under programmatic collaboration. For example, foreign institutions may support in developing curriculum, joint course preparation, joint evaluation of the programme, teacher's visit, student summer trip etc. The programmatic collaboration is a way through which new innovative course is offered at less cost and public/private Indian institutions offer a foreign degree which is a way of attracting the students.

The enabling provisions under programmatic collaboration are the same as discussed under section 9.1. In addition for the purposes of degree granting authority the scope of university under UGC Act will have to be extended to include the present category of programmatic collaboration as well.

It should be clear that any study centre of a foreign university should be prohibited under the present policy guideline.

Registration and Approval Body

There shall be a Council consisting of the heads of UGC, AICTE, DEC. It may co-opt members from other standard setting apex bodies discussed in section 3 or the experts and evolve a mechanism for invitation of the applications furnishing all the information and registering the institution after satisfying that all the necessary conditions laid down for running a programme are fulfilled. Council shall frame a guideline for this purpose and will reserve full right to reject any application on the ground that curriculum is not as per the need of the country and that it might have deleterious effect on the Indian culture. Council may also have the right to cancel its own approval of the programme if it finds that in the course of running a programme it has been violating the broad framework of national policy on education or indulging in pure profit making. The council should give broad guidelines for admission, fees,

teaching-learning process, and infrastructure facilities. Within broad framework for guideline, there should be sufficient autonomy to innovate and develop the educational institution.

Following discussion points may be raised on the policy framework of foreign universities

- Status of entry of foreign universities in India
- Mechanism and operation of foreign universities
- Implications in terms of access, equity and quality
- Issue of enabling policy guidelines
    - Basis of partnership
    - Registration under trust/society act
    - Guidelines on registration, recognition, admission, fees, curriculum
    - Issue of foreign direct investment in India
    - Remittances of foreign exchange

Appendix I

Number of Professional Institutions – Government and Private in India

2002-03

Branches	Government	Private	% of Private to Total
Engineering and Technology	977	764	78.20
Medicine & Health Sciences	1349	1028	76.20
Management* (Masters)	505	324	64.15
College for teacher education	1541	1038	67.35

1741
2377
829
2578
~~995~~
7525

Source: Powar and Bhalla (2004)

* Additionally these were 400 Private Institutions offering P.G. Diploma programmes in different areas of management

Appendix II

Students Enrolment: Faculty Wise: 2001-02

Faculty	Total Enrolment	% to Total
Arts	4069632	46.13
Science	1754110	19.88
Commerce/Management	1575940	17.87
Education	114678	1.30
Engineering/Technology	605597	6.87
Medicine	275943	3.13
Agriculture	52833	0.60
Veterinary Science	14270	0.16
Law	280449	3.18
Others	77643	0.88
Total	**8821095**	**100.00**

Source: UGC Annual Report, 2001-02

Appendix III

Regional Distribution of Institutions offering Degree Programmes in Professional Courses

State	Engineering & Technology (2002)			Medicine+ (2003)			Management# (2002)			Teacher Education		
	Private	Total	%$	Private	Total	%$	Private	Total	%$	Private	Total	%$
Andhra Pradesh	174	188	17.81	77	110	5.70	46	64	9.11	260	292	16.87
Maharashtra	141	167	14.43	208	252	15.40	81	95	16.04	214	273	13.89
Karnataka	6	72	0.61	274	295	20.28	26	36	5.15	52	88	3.37
Tamil Nadu	15	137	1.54	161	183	11.92	56	74	11.09	0	28	0.00
Kerala	25	50	2.56	42	60	3.11	3	9	0.59	32	55	2.08
Total	361	614	36.95	762	900	56.40	212	278	41.98	558	736	36.21
All India	764	977	78.20	1028	1351	76.09	324	505	64.16	1038	1541	67.36

$ *% of Private Colleges to Total Colleges in India*

\+ *includes Institutions offering Allopathic Medicine, Dentistry, Nursing, Pharmacy, Ayurvedic, Unani, Homeopathy and Physiotherapy*

#*the data includes 25 Post Graduate Diploma awarding institutions that have been given equivalence with MBA degree by the Association of Indian Universities*

Source: Association of Indian Universities: Handbook on Engineering Education (2002, Association of Indian Universities: Handbook on Medical Education (2003), Association of Indian Universities: Handbook on Management Education (2002), NCTE Website http://www.ncte-in.org as on 15th February 2004.

Appendix IV

Growth of Technical Institutions at the Under Graduate Level

	Engineering				Pharmacy				Hotel Mgmt. & Catering Tech.				Architecture			
	1999 - 2000		2003 - 04		1999 - 2000		2003 - 04		1999 - 2000		2003 - 04		1999 - 2000		2003 - 04	
	Pvt	Govt	Pvt	Govt	Pvt	Govt	Pvt	Govt	Pvt	Govt	Pvt	Govt	Pvt	Govt	Pvt	Govt
Number of Institutions	510	159	1071	194	174	30	280	40	35	6	40	9	56	22	83	24
(%)	76	24	85	15	85	14.7	87.5	12.5	85.3	14.6	81.6	18.3	71.7	28.2	77.5	22.4
Intake	133811	40307	325747	55056	8815	1463	14532	1878	1720	310	2230	410	2318	2318	2662	746
(%)	76	24	85	15	85.7	14.2	88.5	11.4	84.7	15.2	84.4	15.5	73.7	73.7	78.1	21.8

Source: *Natarajan, R., (2004)*

Appendix V

State wise and Course wise operation of foreign institutions

State	Professional/Vocational Courses				General	Technical Courses	Total
	MBA	Fashion Technology	Mass Communication	Hotel Management	BA/B SC	B.Tech/ M.Tech/ Medical	
Andhra Pradesh	7	1		8		2	18
Delhi	11	2		2		4	19
Goa				2			2
Gujarat	1		1	2			4
Haryana	2			1	1	2	6
Karnataka	8			3		2	13
Kerala				3			3
Madhya Pradesh	2			1			3
Maharashtra	5	1		11	1	2	20
Rajasthan				1			1
Tamil Nadu	4		2	9	3	5	23
Uttar Pradesh	1			2		1	4
West Bengal	4			10		1	15
Total	45	4	3	55	5	19	131

Source: *Directory on Foreign Education Providers in India, NIEPA, August 2004*

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FOREIGN EDUCATION PROVIDERS IN INDIA

DIRECTORY

379.1.4

Higher Education Unit
NATIONAL INSTITUTE OF EDUCATIONAL PLANNING AND ADMINISTRATION
17-B, Sri Aurobindo Marg, New Delhi 110016, INDIA

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Foreign Education Providers
Issues and Concerns

Directory

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Foreign Education Providers
Issues and Concerns

Directory



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FOREWORD

As a part of the research on 'Foreign Education Providers in India' the Higher Education Unit is bringing out the Directory on Foreign Education Providers in India. The objective of the Directory is to fill up the gap in the information relating to foreign provision of education. This is an important dimension of higher education system in India and it is least researched as well. I hope Directory will not only fill the information gap but it will also generate research in this area.

The Directory was compiled under the supervision of Prof. Sudhanshu Bhushan, In charge, Higher Education unit. The project staffs, Dr. Nilay Ranjan and Subrto Kundu, undertook the compilation. I thank them.

The Ministry of Human Resource Development, Government of India is supporting this research project. I thank Ms Bela Banerji, Joint Secretary, Ministry of Human Resource Development for the support and encouragement during the compilation of Directory.

Pradeep Kumar Joshi
Director
NIEPA

PREFACE

A new dimension is added to the Indian higher education structure due to the presence of Foreign Education Providers. The movement of the institutions from one country to other country to provide foreign degree appears in the recent phase of internationalisation of education during 1990's. The growth of foreign institutions/Universities providers in India is in collaboration with Indian partners that are mostly in the private sector. It is also restricted to the big cities. As internationalization of education is said to promote knowledge across borders it is considered desirable to understand this phenomena. The Directory of Foreign Education Providers in India is one such step in this direction.

Is the role of foreign education providers an important vehicle of knowledge transformation? Do they fulfill the objectives of higher education? The present trend of mushrooming of foreign education providers became an important concern for the country. The present operation of Foreign Education Providers is totally unregulated. These institutions are guided by their own norms; follow their own criteria of quality and course content. In other words, we can say that they are basically guided by the market norms. Its role in the host countries may diminish the quality and equity issue in higher education unless steps are taken to improve its quality and make it coherent and relevant. These necessitated creating a data bank on the foreign education providers as the first instance.

Foreign Education Providers in India is currently ongoing research in the Higher Education Unit of NIEPA. As a part of the research it has made an attempt to understand the phenomenon in some depth. The compilation of the foreign education providers in India is a part of the informed discourse. The list may not be exhaustive. The methodology of compilation heavily relied on personal visit. Information were also downloaded from the website. This volume was possible after visiting different parts of the country by our research team. We received tremendous support from the different institutions and individuals. I thank all of them for their support. However, this is a maiden effort and this list of foreign education providers is far from a complete picture. We hope that the response this initiative generates helps us to bring out a revised and more comprehensive edition next time. Any comments on the Directory are most welcome.

I thank Dr. Nilay Ranjan and Subrto Kundu, Project Assistants, for their untiring efforts in compiling the Directory. Dr. Kausar Wizarat and Vijay Vrat Arya visited institutions in the course of collecting the information. Mr. D. Kamaraj managed the entry of data. I thank all of them.

Sudhanshu Bhushan
Head and Incharge
Higher Education Unit, NIEPA

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West Bengal 65

Compiled by Dr. Nilay Ranjan, Mr. Subrato Kundu and Dr. Kausar Wizarat,
Higher Education Unit, NIEPA

Andhra Pradesh

1. **Administrative Staff College of India**
Bellavista
Khairatabad
Hyderabad 500 004
Tel:91-40-339 2320/331 0952
Fax: 91-40-331 2954
E-mail: asci11@hd2.vsnl.net.in
Website: www.asci.org.in
Dr Anil K Sood
Programme Co-ordinator
Foreign Partners: Manchester Business School in association with University of Wales, Bangor, UK
Types of Collaboration: Twining Arrangement[1]
Courses Offered: MBA

2. **Apollo Hospitals**
Jubilee Hills
Hyderabad500 033
Tel:91 40 3607 777 ext 1124
Fax: 91 40 355 4353
E-mail: enquire@medvarsity.com
Website: www.medvarsity.com
Foreign Partners: Royal College of General Practitioners, London, UK
Types of Collaboration: Twining Arrangement

3. **Badruka College of Foreign Studies**
Kachiguda
Hyderabad 500 027
Tel: 91 44 474 1670
Fax: 91 44 465 8236
Foreign Partners: Heriot-Watt University, Edinburgh
Types of Collaboration: Twining Arrangement
Courses Offered: Three year and one year diploma in fashion technology

[1] Twining programmes wherein students can complete part of their study in India and then transfer to the main university wherever it may be. The twinning arrangement may be optional to the students

4. **Chaitanya Bharti Institute of Technology**
Gandipet, Hyderabad, Andhra Pradesh.
Foreign Partners: Dudley College
Types of Collaboration: Twining Arrangement
Courses Offered: Edexcel's Higher National Diploma in Engineering (Electrical and Electronics)

5. **Coromandel Institute of Hotel Mgmt.**
Shiva's Castle, Sector – 8,
Ushodaya Junction, M.V.P. Colony
Visakhapatnam – 530 017
Tel # 0891-2783762, Fax # 2783823
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree[2], Programmatic collaboration[3] and input through representative
Courses Offered: BSc (Hons) Degree in Hotel and Restaurant Management

6. **Indian Institute of Hotel Mgmt.and Culinary Arts**
7-91/5, Nagendra Nagar,
Habsiguda Cross Roads,
Hyderabad – 500 007
Tel # 040-27171591
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: BSc (Hons) Degree in Hotel and Restaurant Management

7. **Indian School of Business**
ISB Campus
Gachibowli, Hyderabad – 500 019.
Tel: +91(40) 3007000 (Extn: 7474)
Website: www.isb.edu
Foreign Partners: Kellogg School of Management at North Western
University, The Wharton School at the University
Of Pennsylvania and London Business School
Types of Collaboration: Joint degree by the four institutes. And Faculty
Exchange
Courses Offered: One year PG Diploma Course

---

[2] Joint degrees wherein students can earn a degree jointly endorsed and awarded by the two-partner institute and foreign institution
[3] Collaborative programmes wherein students can complete their study in India itself

8. **Indo American Tourism Ltd.,**
Door # 47-9-14, Dwaraka Nagar
Vishakapatnam – 530 016 (A.P)
Tel # 91-891-2543732 /
Fax # 2531046
Mr. V.Pujari, Managing Director,
Mr. Isaac Sudhakar
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA Diploma in Hotel and Restaurant Management

9. **Institute of Computer & Business Management**
Plot No. 35, Santosh Nagar Colony,
Mehdipatnam – 500 028.
Hyderabad.
Tel : 23516839, 55506834
318, West Marredpally,
Opp : Kasturba College
Secunderabad – 500 026.
Foreign Partners: Kensington University (U.K.)
Types of Collaboration: Twinning Arrangements
Courses Offered: MBA – 2 years

10. **Maharishi Institute of Management**
1-10-77, Begumpet, Hederabad – 500 016.
Tel.: 040-27760707, 27708241
Foreign Partners: Maharishi Institute, USA
Types of Collaboration: Twinning arrangements with
Course Offered: MBA

11. **Niraj International College**
44 Umanagar, R J Road, Begumpet, Hyderabad 500016
Foreign Partners: Waltham Forest College
Courses Offered: Edexcel's Higher National Diploma in Hospitality Management

12. **Raffel's Institute**
Road No. 14, Banjara Hills,
Pin – 500 034, Hederabad.
Foreign Partners: Nottingham Trent University, UK,
Types of Collaboration: Twinning arrangements.
Courses Offered: MBA

13. **Rai University**
Bala Nagar,
Hyderabad – 500 037.
Mob. : 040-31071659
040-23774987 / 88
Foreign Partners: Edexcel - UK, University of London, University of Wisconsin – Stout - USA, University of Cambridge (UCLES), LOMA
Types of Collaboration: Twinning Arrangements
Courses Offered: M.B.A.

14. **Sarada College of Hotel Management**
1-7-96, KMR plaza, North Kamalanagar,
ECIL, Hyderabad – 500 062.
Tel # 040 – 27143919 / 56372911
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: BSc (Hons) Degree in Hotel and Restaurant Management

15. **Shri Shakti College of Hotel Mgmt**
Venus Plaza, Adj. To Ramada Hotel Manohar, Begumpet,
Hyderabad – 500 016
Tel # 91-40-27908585/8787,
Fax # 2790898
Mrs. Yamuna Ranga Rao, Director
Mr. K. S. Narayan, Principal
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA Diploma in Hotel and Restaurant Management

16. **Siddhartha Institute of Hotel Mgmt. & Catering Tech.**
Siddhartha Nagar, Vijayawada – 520 010
Tel : 91-866-2493042,
Fax # 91-866-2476086
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: BSc (Hons) Degree in Hotel and Restaurant Management

17. **Sister Nivedita College of Professional Studies**
11-4-654/3, Red Hills, Lakdikapul,
Hyderabad.
Foreign Partners: An American University,
Types of Collaboration: Twinning arrangements
Courses Offered: MBA

18. **Sri Venkateswara Institute of Hotel Mgmt & Catering**
No.19-11-42 & 43, Tiruchanoor Road
Kennedy Nagar (Saradha Nagar)
Tirupati – 517 501
Tel # 0877 5571844
Email: srivenkateswaratrust@yahoo.com
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three Diploma in Hotel and Restaurant Management

Delhi

Delhi

1. **Amity Business School**
Sector 44, NOIDA
RBEF, E-27, Defence Colony, New Delhi – 110 024
Ph: 011-24331000
Website: www.amity.edu
Foreign Partners: University of the West Minister, UK, Engineering from Purdue University, USA, MBA from University of East London, UK, Software Engineering/Information Technology from University of West of England, Bristol
Types of Collaboration: Twining Arrangement
Courses Offered: BBA, MSc in Manufacturing Management and Information Systems

2. **Appejay Education Society**
Appejay Stya House, 14 Commercial Complex
Masjid Moth, Greater Kailash
New Delhi – 110 048
Tel: 011-29228296, 29228297
Fax: 011-29225344
Email: aes@apj.edu
Website: apeejay.edu
Foreign Partners: University of Westminster, London, UK-
Types of Collaboration: Twining Arrangement
Courses Offered: BBA, MBA

3. **Asia Pacific Institute of Management**
Opp. Pocket-E, Sarita Vihar, New Delhi – 110 044
Tel: 011-26958532, 26958510
Fax: 011-26951541
Email: dpsahoo@asiapacific.edu
Website: asiapacific.edu
Foreign Partners: Marist University-USA, R.I.T-USA
Types of Collaboration: Twining Arrangement
Courses Offered: BBA, MBA

4. **FORE School of Management.**
B-18 Qutab Institutional Area, New Delhi-110016.
Foreign Partners: Nottingham Trent University
Types of Collaboration: Twining Arrangement
Courses Offered: MSc (IBM) and International MBA

5. **Indian Institute of Planning and Management**
Tower, B-27, Qutab Institutional Area, New Delhi-110016.
Email=info@iipm.edu
www.iipm.edu
Foreign Partners: International Management Institute, IMI, Europe
Types of Collaboration: Foreign Degree, Twinning Arrangement.
Courses Offered: B BA, MBA

6. **Indira Gandhi National Open University**
Maidan Garhi, New Delhi
Foreign Partners: Edexcel, UK
Types of Collaboration: Twining Arrangement
Courses Offered: Higher National Diploma Programme integrated into BIT programme of IGNOU delivered on-line through blended learning at IGNOU regional centres across India

7. **Institute for Integrated Learning in Management.**
Lodhi Institutional Area, Lodhi Road, New Delhi-110003
Phone: 011-24631033, 24647820
Foreign Partners: University of Bradford, UK
Types of Collaboration: Joint degree and Twinning Arrangement
Course Offered: Bachelors in Business and Mgt. Studies foreign degrees

8. **International Maritime Institute**
13 Knowledge Park 1, Greater Noida, Dist Gautam Budh Nagar, Uttar Pradesh 201 306.
Foreign Partners: Edexcel, UK
Types of Collaboration: Foreign Degree
Courses Offered: Higher National Diploma in Marine Engineering, Computing and Business administration

9. **Jagannath International Mgt. School**
Kalkaji, (Opp. Nehru Place Bus Terminal, New Delhi01110019
Ph.No.26442957-59
Foreign Partners: University of Cambridge and Nothumbria Univ. UK, Liverpool John Morres University, UK
Types of Collaboration: Joint degree, Twinning Arrangement
Courses Offered: MBA, BBA

10. **LBIIHM**
B-98, Pushpanjali Enclave, Outer Ring Road,
Pitampura, Delhi – 110 088
Tel : 91-11-55155113
Fax # 27011495
E-mail : lbiihm@tatanova.com
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: BSc (Hons) Degree in Hotel and Restaurant Management

11. **Northern Institute of integrated learning and Management**
11/66, Sher Shah Suri Marg, Badarpur, New Delhi-44
Foreign Partners: University of Bradford, UK
Types of Collaboration: Foreign Degree
Courses Offered: BBA

12. **Pearl Academy of Fashion**
C-56/2, Okhla Industrial Area Phase II, New Delhi-110020
Ph.No.26849402, 26849403
Foreign Partners: Nottingham Trent University NTU
Types of Collaboration: Twining Arrangement
Courses Offered: PG Diploma in Fashion Technology, Other Diploma in Fashion Technology

13. **R.M.Institute**
N-13 South of Sainik Farms, Khasra No 18/54 Village Deovli, District Mehrauli, New Delhi 110062, India.
Foreign Partners: Thames Valley University
Types of Collaboration: Twining Arrangement
Courses Offered: BA(Hons) Hospitality Management
BA (Hons) International Hotel Management

14. **Rai University**
A-41, MCIE, Mathura Road, New Delhi-110044,
Ph.No.26991300
Foreign Partners: University of Cambridge, JK, Univ. of London (Ext.)
Types of Collaboration: Twining Arrangement, programmatic
Collaboration[1]
Courses Offered: Various diploma and degree programmes

[1] Collaborative programmes wherein students can complete their study in India itself

15. **Ritnand Balved Amity Education Foundation**
Amity Centre, E-27, Defence colony, New Delhi-110024.
Foreign Partners: UEL Business School London, Univ. of West England, Briston, Purdue University, Calumet, USA
Types of Collaboration: Twining Arrangement
Courses Offered: 2 year MBA in International Mgt.
2-1 and ½ years course each MSC in (Information Technology and Software Engineering)
3 years BS Electronics and Communication Engg.
4 years BSc computer Science and Engineering
4 years B.S. Information Technology
4 Year B.S. Mechanical and Automation Engg.

16. **Skyline Business School**
Hauz Khas Enclave, New Delhi-110016
Phone-011-26864848, 26866968,26524399
Fax-011-26864848
Email-info@skylinecollege.com
Website: www.skylinecollege.com
Foreign Partners: National American University, USA
Types of Collaboration: Foreign Degree, Twining Arrangement
Courses Offered: BBA and BA in Mass Communication

17. **UKTVB, School of Habitat Studies**
Sector D, Pocket 2, Vasant Kunj, New Delhi-110070
Ph.No.26894898, 268966615
Foreign Partners: University of London
Types of Collaboration: Twining Arrangement
Courses Offered: B.Tech .in Architecture – 5 year Course

18. **Western International University**
24 A, Lajpat Nagar, New Delhi
Phone: 011-26441203,26446217
Foreign Partners: Western International University
Types of Collaboration: Branch/offshore Campus
Courses Offered: Bachelor and Master in Business Studies

19. **Wigan & Leigh India**
86-A Sainik Farms, New Delhi-110019,
Ph.No.: 26855327, 9810007690
Foreign Partners: Wigan & Leigh, UK
Types of Collaboration: Franchise
Courses Offered: Advertising and Graphic Design, Fashion Technology, Business Mgt, Higher National Certificate in Business & Finance (awarded by BEC, UK)

Goa

1. **Academy of Culinary Education**
Cidade De Goa Beach Resort
Vainguinim Beach,Goa – 403 004
Tel # 91-832-2454545, Fax # 2454541 /42
Prof. P.N. Raman, Director,
Foreign Partners: AHLA, USA and culinary Switzerland
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

2. **IIAS School of Management**
Pooja Building, Miramar Tonca Road
Caranzalem P.O. Goa- 403 002.
Tel # 91-832-2462469 Fax #
Email : iias@goatelecom.com
Mr. Aniruddha Das, Centre Manager
Foreign Partners: AHLA, USA and International Institute of Hotel Management
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

Gujarat

Gujarat

1. **Gandhigram Rural Institute**
   Gandhigram, Ahmedabad
   Foreign Partners: Grambling State University & Clark University
   Types of Collaboration: Twining Arrangement
   Courses Offered: Bachelor and Master level diploma

2. **Gujarat Institute of Hotel Mgmt.**
   Vaid House, Opp. Homeopathy College
   Near R.C. Patel Estate, Akota Padra Road,
   Vadodara, Gujarat – 390 020
   Tel # 91-265-2331112, Fax # 2339216
   Mr. J.P. Singh, President / Mr. Rahul, Principal
   Foreign Partners: AHLA, USA
   Types of Collaboration: Joint Degree and input through representative
   Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

3. **Som- Lalit Education Research Foundation**
   SLIMS Campus, Near St. Xavier's Corner,
   University Road, Navrangpura, Ahmedabad 380009
   Foreign Partners: Liverpool John Moores University
   Types of Collaboration: Twining arrangement
   Courses Offered: Master in Business Studies

4. **Institute of Hotel Mgmt & Culinary Arts**
   105, Lillier, 1st Floor, Opp.
   R.C. Patel Estate
   Akota Padra Road, Vadodara – 390 020
   Tel # 91-265-2311733 Mob # 3205386
   Dr. Sulochana Ojha, Director
   Foreign Partners: AHLA, USA
   Types of Collaboration: Joint Degree and input through representative
   Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management



Haryana

1. **Ansal Institute of Technology**
Sector 55, Gurgaon 122003, Ph.No. 0124-2066074, 2570311
Foreign Partners: North Dakota State University
Types of Collaboration: Twining Arrangement, Programmatic Collaboration
Courses Offered: MBA, B.Tech

2. **APIIT S.D. India**
P.O. Box 66 Faridpur Road, Panipat 132103
Haryana, India
Foreign Partners: Staffordshire University
Types of Collaboration: Twining Arrangement
Courses Offered: B.Eng (Hons) Computing

3. **College of Hospitality and Tourism – Gurgaon**
486-487, Udyog Vihar, Phase III,
Gurgaon-122 016
Tel#91-124-6345625,Fax # 91-11-3363317
Email: tarora@sams.edu
Mr. Sameer Bandhu, Program Leader
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: BSc (Hons) Degree in Hotel and Restaurant Management

4. **Institute for International Management and Technology**
336, Udyog Vihar, Phase VI, Gurgaon Haryana, 211001
Foreign Partners: Oxford Brookes University
Types of Collaboration: Twining Arrangement, Foreign degree
Courses Offered: BSc (Hons) Degree in Hotel and Restaurant Management
(Sandwich) 3 years, BSc (Honours) Computing 4 Years, BSc (Hons) Degree Software Engineering (Sandwich) 4 Years,BA (Hons) Degree Business Administration(Full Time) 3 years andBA (Hons) Degree Business Administration(Sandwich) 4 years

5. **Institute of Technology& Management.**
Huda, Sector 23-A, Gurgaon-122017
Foreign Partners: University of London

Types of Collaboration: Joint degree and Twinning Arrangement
Courses Offered: Diploma in Economics, Bsc in Economics, Bsc.in Mgt.

6. **North India Institute of Hotel Mgmt.**
Gulmohar Complex, Zirakpur-Shimla Highway
Near Railway Crossing, Zirakpur,
P.O. Dhakoli – 140201 (Chandigarh), India
Tel # 0172 – 5070304/94170/44517
Mobile # 9814332823
Mrs. Malini Dahiya, Director
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

Karnataka

1. **CMR Institute of Management Studies**
2 079, Hannur Banaswadi Layout
2nd Main Road, 3rd Block
3rd Stage, Kalyan Nagar
Bangalore 560 043
Tel: 91-80-544 3865
Tel/Fax: 91-80-544 0956
E-mail: cmr@bgl.vsnl.net.in
Website: www.cmsrim-india.org
Foreign Partners: University of Leicester
Types of Collaboration: Twining Arrangement
Courses Offered: BBA, MBA

2. **Institute of Finance and International Management**
#2461, 24th Cross, BSIC II Stage, Bangalore 560070
Foreign Partners: Liverpool John Moores University
Types of Collaboration: Twining Arrangement
Courses Offered: Master in Business Studies

3. **M.S. Ramaiah School of Advanced Studies**
Gnanagangothri Campus, New BEL Road, Bangalore 560 054, Karnataka, India
Foreign Partners: Coventry University
Types of Collaboration: Twining Arrangement, foreign degree
Courses Offered: MSc (Engineering) in Competitive Manufacturing, Manufacturing Management, Automotive Engineering, Communication Manufacturing, Digital Signal and Image Processing, Micro Electromechanical Systems, Smart System Design, VLSI System Design, New Product Design, Rotating Machinery Design and Real Time Embedded Systems

4. **Maharishi Institute of Management**
29th K.M., Bangalore – Mysore Highway
Bheemanahalli, Bidadi,
Bangalore – 560 009.
Foreign Partners: Maharishi Institute, USA
Types of Collaboration: Twinning arrangement
Courses Offered: MBA

5. **Mallya Aditi International School**
Post Box No. 6427 Yelhanka Bangalore 560 064
Tel: 91 80 846 2506/846 2507
Fax: 91 80 846 2506/07
Foreign Partners: Oxford Brookes University
Types of Collaboration: Twining Arrangement
Courses Offered: BBA and BA in international Business

6. **Moti Mahal College of Hotel Management**
Moti Mahal Annexe, Falnir Road
Mangalore –575001
Tel#0824- 2428493/ 2441411
Fax#0824-2441011
Ms. Deepika Kapoor, Principal
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: BSc (Hons) Degree in Hotel and Restaurant Management

7. **MP Pillai Institute of Management**
Bharatiya Vidya Bhavan, No. 43,
Race Course Road,
Bangalore.
Tel.: 91-80-2382798-0634
Foreign Partners: Marshall University, USA
Types of Collaboration: Twinning arrangement with
Course Offered: MBA

8. **Nitte Institute of Catering Studies& Hotel Admn.**
Pumpwell Circle, Kankanady
Managalore – 575 002
Tel # 0824-2245140 Fax # 2246700
Ms. Matharani Mathias, Principal
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: BSc (Hons) Degree in Hotel and Restaurant Management

9. **Presidency College of Hotel Mgmt**
C/o. Royal Orchid Park Plaza
1, Golf Avenue, Adjoining
KGA Golf Course
Behind Diamond District, Airport Road
Bangalore – 560 008
Tel # 91-80-25202794- 95/Fax # 25202794
Col. S.C. Mehta , (Retd) Principal
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: BSc (Hons) Degree in Hotel and Restaurant Management

10. **Rai University**
15th Miletone,
Gottigere, Banerghata Road,
Bangalore – 560 083.
Tel : 080-36927110, 31887066,
36973297, 31887102
Foreign Partners: University of Edexcil, UK for diploma course, London School of Economic – BSc in Economics, University of Cambridge - Diploma Program.
Courses Offered: B.Sc. in Economic, Diploma courses

11. **TASMAC Training and Advanced Studies in Management and Education**
TASMAC House, 7/6 Bull Temple Road, Basavangudi,
Bangalore 560019
Foreign Partners: University of Wales
Types of Collaboration: Twining Arrangement
Courses Offered: BA (Hons) in Business Administration, MBA, MSc in Information Technology

12. **Wigan & Leigh College (India) Ltd**
75, Devananthachar Street
Chamrajpet, 5th Main
Bangalore 560 018
Tel: 91-80-6508647/6526586
No 313/1A, 7th Cross
Domlur Layout
Bangalore 560 071
Tel: 91-80-530 8166/67
Fax: 91-80-530 8167
Foreign Partners: Wigan & Leigh College, UK
Types of Collaboration: Franchise
Courses Offered: BBA and other diploma

13. **Wigan & Leigh College (India) Ltd.**
30, Dickenson Road,
Bangalore – 560 042.
Tel. : 25574311, 25574312, 25574313
Foreign Partners: Wigan & Leigh, UK
Types of Collaboration: Twinning arrangements with Wigan &
Leigh, UK, Not a branch Campus.
Courses Offered: BBA, MBA

Kerala

1. **Dr. Jessy George Memorial Institute of Mgmt.**
Modern Group, 4th Floor,
Corporation Buildings
Chinnakkada, Kollam-691001
Tel # 0474-2741633, 2743690
Mr. James George, Principal – MD
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

2. **Munnar Catering College**
C/o. Royal Group of Companies
2nd Floor, Chandrika Building, M.G. Road
Cochin _ 682 011, Kerala.
Tel # 0484-2367720, Fax # 2367740
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

3. **Oriental School of Hotel Management**
Valley View, Lakkidi – 673 576,
Wayanad, Kerala
Tel # 04936-255355, 255716-720
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

Madhya Pradesh

1. **The Daly college**
   Indore 452 001
   Ph: 0731-701049/ 700065/ 701863
   Fax: 702674
   E-mail: dalian@bom4.vsnl.net.in
   Foreign Partners: De Montfort University
   Courses Offered: Three year Bachelor degree in Business Management

2. **Kohinoor-IMI**
   Sayaji Hotel, H/1 Scheme No.54,
   Vijay Nagar,
   Indore – 452 010
   Tel: (0731) 500 6080/90
   Fax: (0731) 500 3131
   Foreign Partners: Carleton University, Canada, International Hotel Management Institute, Switzerland
   Types of Collaboration: Twining Arrangement and Complete Foreign degree in India
   Courses Offered: Higher Diploma in Hospitality Management, BA Degree in International Hotel & Tourism Management and BA(H) in International Business

3. **Rai University**
   56/1, Shamla Hills,
   Bhadhada Road,
   Bhopal – 462 003
   Tel: 0755-3133194, 3133192, 5222264
   Email: bhopal@railuniversity.edu
   Foreign Partners: University of Cambridge, JK, Univ. of London (Ext.)
   Types of Collaboration: Twining Arrangement, programmatic Collaboration
   Courses Offered: Various diploma and degree programmes

Maharashtra

1. **Arun Muchhala College of Hotel Mgmt. & Cat.**
Sai Baba Vihar Complex, Anand Nagar
Thane Ghodbandar Road, Kaveshar,
Thane – 400 601
Tel # 022-25341791, Fax # 25348828
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

2. **Confederation of Indian Industry**
Naoroji Godrej Centre of Excellence
Godrej Station Side Colony, Pirojshanagar
Vikhroli least, Mumbai 400079
Foreign Partners: University of Warwick, UK
Types of Collaboration: Twining Arrangement
Courses Offered: The ACE Programme leading to MSC in Engineering Business Management

3. **Dr. D.Y. Patil Institute of Hotel Management & Catering Technology**
Dr. D.Y. Patil Vidyanagar, Sector 7,
Nerul, Navi Mumbai – 400 706
Tel# 27709270 Fax# 27703576
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

4. **Empire Institute of Learning**
414 Senapati Bapat Marg,
Lower Parel(West) Mumbai 400 013
Foreign Partners: University of Huddersfield and Carleton University, Canada
Types of Collaboration: Twinning Arrangement
Courses Offered: BA (Hons) Fashion Design with Manufacture, Marketing & Promotion (3 years)
BA (Hons) Fashion Design(1 year top up)
BA (Hons) Graphic Design (3 years)
BA (Hons) Graphic Design (1 year top up)
BA (Hons) Graphic Design (Packaging) (3 years)
BA (Hons) Graphic Design (Advertising)(3 years)

5. **HR College of Commerce and Economics**
Dinshaw Wachita Road, Church Gate
Mumbai-400020
Foreign Partners: New Jersey Institute of Technology(NJIT), USA
Union College, Schenetady, USA, University of West Georgia Carrolton, USA
Types of Collaboration: Twining Arrangement and Foreign Degree
Courses Offered: BSC Eng andBachlor/Master in management

6. **Institute for Technology and Management**
25/26 institutional Opp Hiranandani Park
Sector-4, Kharghar (E),
Navi Mumbai – 410210.
Tel # 27564845/42. Fax # 27564842
www.itm.edu
Foreign Partners: New Hampshire college, Manchester NH, USA
Queen Margaret University college, Edinburg, ESSCA France and Berufsa Kademie, Germany
Types of Collaboration: Twining Arrangement
Courses Offered: MBA, MS(Information Technology), Three year diploma in Hospitality Management

7. **Institute of Hotel Management**
Maulana Azad Educational Campus,
Rauza Bagh, Aurangabad 431 001
Foreign Partners: University of Huddersfield
Courses Offered: BA (Hons) Hotel Management

8. **Kohinoor College of Management and college of Hospitality Management & Catering Operations**
Senapati Bapat Marg, Dadar (W),
Mumbai - 400 028
Tel # 91-22-256530000 / 5, Fax # 256530011
kohinoorimi@vsnl.in
Foreign Partners: Carleton University, Canada, International Hotel Management Institute, Switzerland
Types of Collaboration: Twining Arrangement and Complete Foreign degree in India
Courses Offered: Higher Diploma in Hospitality Management, BA Degree in International Hotel & Tourism Management and BA(H) in International Business

9. **Nageshkar Memorial Hospitality Academy Pvt. Ltd**
1330, 18/19, Chatrapati Colony
Shastrinagar, Kolhapur – 416 008
Tel # 91-231-690174
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

10. **Navi Mumbai Hospitality Educational Trust**
(Regent Academy of Culinary Education)
The Institution of Engineers Campus
Plot No. 106, Sector-15, Belapur CBD Navi Mumbai – 400614
Tel # 022-27566502 / 022-32606168
Mr. Cletus Paul, Director
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

11. **Rizvi Academy of Hospitality Mgmt.**
Rizvi Educational Complex
Sherly Rajan Road, Bandra (W)
Mumbai – 400 050
Tel # 91-22-26044176, Fax # 26409779
Ms. Kashmira Umrigar, Principal
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

12. **South Indian Education Society College of Management Studies**
Plot 1-E, Sector V, Nerul
Navi Mumbai - 400706
Tel: 4090516
Mr Gopal Krishnan
Foreign Partners: University of London
External Programme
Types of Collaboration: Twining Arrangement
Courses Offered: BBA and MBA

13. **Welingkar Institute of Management Development and Research**
L.Napoo Road, Matunga (CR)
Mumbai-400019
www.welingkar.org
Types of Collaboration: Twining Arrangemen
Courses Offered: MBA

14. **Wigan & Leigh College (I) Ltd**
Modern Mills Compound
101 Keshavrao Khade Road
Jacob Circle, Mahalaxmi
Mumbai-400011
Tel:3080702/ 3080690 /2
Email:wiganindia.org
Foreign Partners: Wigan & Leigh College,UK
Types of Collaboration: Franchise
Courses Offered: BBA,MBA and diploma

15. **Amro Tourism Academy - The College of Hotel Mgmt**
ASM 53, Ashwin Nagar
CIDCO, Nashik – 422 009.
Tel # 91-253-2370962

16. **Audyogik Shishan Mandal**
Pimpri Chinchwad Mahratta Chamber of Commerce Indust. & Agriculture, Pune MIDC, C Block, Chinchwad, Pune 411 019
Foreign Partners: Leed Metropolitan University
Types of Collaboration: Twining Arrangement and Foreign degree in India
Courses Offered: **Masters Programme in Business Administration (International Business)**

17. **Dina Institute Of Hotel & Business Management**
No.3, Timanna Niwas, 940/2,
Chaturshringi Road, Model Colony
Pune – 411016
Tel # 020-25663108/ 25677666
Fax # 25663108
Foreign Partners: AHLA, USA and Middlesex University, London, UK
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

18. **TASMAC institute of Management and Education**
TASMAC House, Plot No. 14, TASMAC Road,
Viman Nagar, Pune 411003
Tel-91-20-22933441
Fax-91-20-22934191
Web-site-www.tasmac.ac.in
Foreign Partners: University of Wales and University of South Florida, Tampa,USA
Types of Collaboration: Twining Arrangement and Foreign degree in India
Courses Offered: BA (Hons) in Business Administration, MBA
MSc in Information Technology

19. **National Insurance Academy**
Balewadi, Baner Road
Pune
Phone: 020-27292382,27292380
Mobile: 9823028736
Fax: 020-27292392
Email=kcmishra @niapune.com
www.niapune.com
Foreign Partners: Fairfax, University, USA
Types of Collaboration: Twinning Arrangement Foreign Degree
Courses Offered: MBA (Finance), MBA (Insurance), MBA (Information Technology)

20. **SMI Of Hotel Mgmt.& Cat. Technology**
Indraprastha, Near Akashwani
Manjiri Phata, Hadapsar, Pune – 411028
Tel # 020-26997613, Fax #
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

Rajasthan

1. **The Hotel School of K.K. Retreat Pvt. Ltd.**
K.K. House, Bharat Mata Path, Jamnalal Bajaj Marg,
C-Scheme, JAIPUR-302001, India.
Tel: 91-141-2371128, 2371236,
Fax: 91-141-2371186
Mr. Inder Thapa, Principal
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

Tamil Nadu

Tamil Nadu

1. **Academy for Management Excellence**
30, Kothari Road
Nungambakkam
Chennai 600 034
Tel: 91-44- 827 3801
Fax: 91-44-827 9208
Foreign Partners: Open University Business School
Types of Collaboration: Twining Arrangement
Courses Offered: MBA

2. **Academy of Maritime Education and Training**
3/4/5, Ambedkar Street
Gandhi Nagar,
Saligramam
Chennai 600 093
Tel: 91-44484 4568/484 7167
Fax: 91-44-484 1622
E-mail: amet@vsnl.com
Website: www.ametindia.com
Foreign Partners: Glasglow College of Nautical Studies, Glasgow
Types of Collaboration: Programmatic Collaboration
Courses Offered: Higher Diploma in Engineering

3. **Bhuvaneshwari Kampala Hotel & Catering Mgmt Institute**
The Hotel Academy
Suite 5&7-A, Mena Kampala Arcade, 114
Theagaraya Road, T. Nagar,
Chennai- 600 017
Tel # 044-28217707, Fax # 8217717
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

4. **Canan School Of Catering & Hotel Mgmt.**
1/75 Poonamallee High Road
Nerkundrum, Chennai – 600 107
Tel # 044-24872689 Fax # 24770104
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

5. **City School of Social and Management Sciences**
II Floor, Vijaya Complex, Anna Nagar (W),
Chennai – 600 101.
Ph : 26153030 / 26150303
Foreign Partners: University of London / London Business School
Degree by University of London.
Courses Offered: B.Sc. Finance, B.Sc. Economics & Management

6. **Empee Institute of Hotel Mgmt. & Cat.Tech.**
103- Aruna Complex, Annanagar (E)
Chennai – 600 102, India
Tel # 044-26630179/ 616179
Fax # 6631843
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

7. **Hindustan College of Engineering**
Chennai
Foreign Partners: Western Michigan University
Types of Collaboration: Twining Arrangement
Courses Offered: BSc Engineering

8. **International Institute of Business & Management Pvt Ltd**
No.1, 4th Floor
Sindur Pantheon Plaza
346 Pantheon Road
Egmore, Chennai 600 008
Tel: 91-44826 5727/826 5728
Fax: 91-448265728
Foreign Partners: Heriot-Watt University, Edinburgh
Types of Collaboration: Twining Arrangement
Courses Offered: BBA and MBA

9. **Lady Doak/American College**
Madurai
Foreign Partners: Oberlin College
Types of Collaboration: Twining Arrangement
Courses Offered: Diploma in Business Management

10. **Lake College of Computer Science & Management**
Chennai
Foreign Partners: University of Houston-clear lake, Texas
Types of Collaboration: 2 years at Lake college & 2 years at University of Houston-clear lake
Courses Offered: 4 year B Tech and BE

11. **Loyola College**
Sterling Road
Chennai 600 034
Tel:91-44-8276894
Fax: 91-44-823 1684
E-mail: loyocoll@md3.vsnl.net.in
Dr Joseph Jayaraj
Programme Co-ordinator
Foreign Partners: South Bank University, London & Loyola College
Types of Collaboration: Programmatic collaboration

12. **Maharishi Institute of Management**
PTC Colony, Pallavan Nagar,
Tiruverkadu, Chennai – 600 075.
Tel : 044-26801921, 26801190
Foreign Partners: Maharishi Institute, USA.
Types of Collaboration: Nature of Tie-up : Branch Campus of IOWA,
Courses Offered: MBA

13. **Manipur Education. & Medical Gr.**
Chennai
Foreign Partners: Andrews University, USA
Types of Collaboration: Twining Arrangement
Courses Offered: MBBS

14. **Merit Swiss Asian School of Hotel Mgmt.**
Merit Inn Southern Star, 22,
Havelock Road,
Ooty, Tamil Nadu – 634 001
Tel # 91-423-2443601, Fax # 2441098
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

15. **Mohamed Sathak Trust**
Chennai
Foreign Partners: Mont Clair state university USA
Types of Collaboration: Twining Arrangemen
Courses Offered: MBI

16. **Montclair State MBI Resource Centre Mohamed Sathak Trust**
144/1, Nungambakkam High Road, Chennai, 6000034, India.
044-827-2573, 8234153 e.mail: nba.Chennai@montclair
Foreign Partners: Indus Foundation & Stevens Institute of Technology USA
Types of Collaboration: Foreign Degree
Courses Offered: MBI

17. **Shevaroys Institute of Cater Tech. & Hotel Mgmt.**
Hotel Shevaroys Complex
Hospital Road, Yercaud Hills – 636 601
Salem Dist. Tamil Nadu
Tel # (04281) 222288 / 383 Fax # 22387
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

18. **Sree Balaji College of Hotel Mgmt & Cat. Tech.**
Srirangam, P.O. Box 15, Tiruchirapalli (Trichy)
Tamil Nadu – 620 006
Tel # 0431-2434745, Fax # 2434745
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

19. **The Monarch International College of Hotel Mgmt**
Off Havelock Road, Ooty – 643 001
Tamil Nadu
Tel # 0423- 2445343 / 2444408 / 18 / 20
Fax # 0423-2442455, 2443827
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

20. **TMG College of Arts & Science**
No.385, Arcot Road,
Kodambakkam, Chennai – 600024.
Tel # 044-24836965 / 24723406 Fax#24839064
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

21. **Vel Tech Engineering college**
Chennai
Foreign Partners: Oklahoma State University, Still water, Okhlahoma
Types of Collaboration: one year at vel tech & one year at Oklahoma
Courses Offered: Master in Electronics and computer Engineering

22. **VEL'S Institute of Hotel Management**
P.V. Vaithiyalingam Road,
Pallavaram, Chennai- 600 117
Tel # 91-44-2362712, Fax # 238559
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

23. **Women's Christian College**
Chennai
Foreign Partners: Mount Holyoke College
Types of Collaboration: Twining Arrangement
Courses Offered: Diploma in Management

Uttar Pradesh

1. **College of Hospitality & Tourism Studies**
   3/311, Vishal Khand (Opp. CMS)
   Gomti Nagar, Lucknow – 226 010
   Tel # 91-522-2301567
   Fax # 91-522-2395960
   Foreign Partners: AHLA, USA
   Types of Collaboration: Joint Degree and input through representative
   Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

2. **International Institute for Special Education**
   Kanchana Bihari Marg, Kalyanpur,
   Lucknow 226022.
   Foreign Partners: Liverpool John Moores University
   Types of Collaboration: Twining Arrangement
   Courses Offered: Master in Business Studies

3. **International Maritime Institute**
   13 Knowledge Park 1, Greater Noida, Dist
   Gautam Budh Nagar, Uttar Pradesh 201 306.
   Foreign Partners: Edexcel
   Types of Collaboration: Twining Arrangement
   Courses Offered: Higher National Diploma in Marine Engineering, Computing and Business

4. **National Institute of Hotel Mgmt.**
   29 Dilaram Bazar, Rajpur Road
   Dehradun – 248 001, UP
   Tel # 0135- 2743183
   Mr. Amit Kapoor, Director
   Foreign Partners: AHLA, USA
   Types of Collaboration: Joint Degree and input through representative
   Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

West Bengal

1. **Eastern Institute for Integrated Learning in Management**
6 Waterloo Street,
2nd floor
Calcutta 700 069
Tel: (033) 2214725/26, 2483975
Fax: (033) 2104919
E-mail: eiilm@vsnl.com
Foreign Partners: University of Bradford, Richmond Road, Bradford
West Yorkshire BD7 1DPTel: 01274 233024Fax: 01274 235300
Types of Collaboration: Twining Arrangement
Courses Offered: BBA, MBA

2. **Extension Campus of Asia Pacific International University**
X - 1,8/3, Block EP, Salt Lake, Sector- 5, Salt Lake electronics Complex
Kolkata – 700091,
Phone: 033- 23577550.
www.iiit-c.net
Foreign Partners: International Institute of Information Technology
Types of Collaboration: Twining Arrangement
Courses Offered: BBA, MBA

3. **Golden Regency**
Golden Retreat Center
Director of Studies
City Center
Debhog, Haldia, East Midnapur
95-3224-252020/252688
31065214
Foreign Partners: Regency Institute of Tafe under University of South Australia Adelaide
Types of Collaboration: Twining Arrangement
Courses Offered: International center for hospitality management
3 years Advance Diploma in Hospitality Management

4. **Good Shepherd Institute of Hospitality Mgmt.**
Kunjaban, East Main Road, Kalimpong
D. G. A. H. C. West Bengal – 734301
Tel # 03552256075 Mobile# 98320-41486
IIAS School of Management & Science
ICMARD Building, Block 14/2,
C.I.T. Scheme- VIII (M), 5th Floor,
Ultadanga, Kolkata – 700 067.
Tel # 91-33-23562038/39 Fax # 23563857
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

5. **Institute for International Management and Technology**
The Fort Radisson, Raichak, Sarisa,
Off Diamond Harbour Road, 24 Parganas South,
West Bengal
Foreign Partners: Oxford Brookes University
Types of Collaboration: Twining Arrangement
Courses Offered: BSc (Hons) Degree in Hotel and Restaurant Management (Sandwich)

6. **Institute for International Management and Technology**
Kolkata
Foreign Partners: Oxford Brooks University, UK
Courses Offered: BBA (Hons.), B.Sc. (Hons.) In Hotel & Restaurant Managements

7. **Institute of Advanced Hotel Mgmt**
AE-486, Salt lake City, Calcutta – 700 064
Tel # 91-33-23377726, Fax # 23346674
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

8. **Institute of Advanced Management**
AE 486 Salt Lake City Director – Miss Maitryes Chaudhary, Ph. 23596065
Foreign Partners: Queen Margaret University College Ediburg
Types of Collaboration: Franchisee
Courses Offered: B.A. in International Hospitality Management (3yrs)

9. **Institute Of International Business & Research**
MIDC, 'C' Block, Chinchwad,
Pune
Tel:020 778800
Fax:020 771753
Email: iibr@gaispn01.vsnl.net.ine
Foreign Partners: Leeds Metropolitan University Hochschule (Application Oriented University) Bremen (HSB)
Types of Collaboration: Twinning Arrangement
Courses Offered: MBA and BBA

10. **International Institute Of Hotel Management**
International Tower X-1, 8/3 Block EP, Salt Lake, Electronic Complex, Sector V, Kolkata 700 091,
Foreign Partners: Queen Margaret university College at Ledinbu8rgh, UK
Types of Collaboration: Twining Arrangement
Courses Offered: Degree in International Hospitality Management

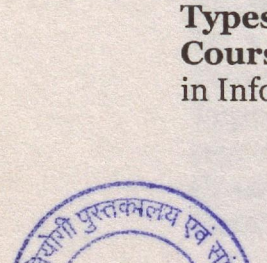
11. **International Institute of Hotel Mgmt**
EC 37 Salt Lake
Calcutta 700 064
Tel:(033) 3599044/3219546
Fax (033) 3346674
E-mail: iihm@giascl01.vsnl.net.in
Foreign Partners: Queen Margaret University College Corstorphine Campus,Edinburgh
Types of Collaboration: Twining Arrangement
Courses Offered: Diploma in Hotel Management

12. **International Institute of Hotel Mgmt.**
EC 37 Salt Lake Calcutta 700064
Foreign Partners: Queen Margaret University College Corstorphine Campus Edinburgh
Types of Collaboration: Twining Arrangement
Courses Offered: BA in International Hospitatality Management

13. **JD Birla Institute in Business Management**
Kolkata
Foreign Partners: Lutien's Business school and North Northuimbre University, UK
Courses Offered: BBA, MBA

14. **Pailan School of International Studies**
Express Towers, 1st Floor, 42A,
Shakespear Sarani, Kolkata – 700 017
Tel # 033-2283 6918 –21
Foreign Partners: AHLA, USA
Types of Collaboration: Joint Degree and input through representative
Courses Offered: Three year BA and one yr Diploma in Hotel and Restaurant Management

15. **TECHNA Institute**
SDF Building, 5th floor,
Electronics Complex, Salt Lake,
Calcutta 700091
Tel: (033) 3574550-51/ 3576208-9
Fax: (033) 3574058
Foreign Partners: University of London (External), University of Oxford
University, University of Cambridge
Types of Collaboration: Twining Arrangement
Courses Offered: Diploma in Economics, Bsc in Mgt., Bsc in Information Systems & Mgt



शहीद शंकर गुहा नियोगी पुस्तकालय एवं सांस्कृतिक केंद्र, भोपाल

पुस्तक देय [illegible] -

शहीद शंकर गुहा नियोगी
पुस्तकालय एवं सांस्कृतिक केंद्र, भोपाल
(कमला सद्गोपाल पब्लिक ट्रस्ट का एक कार्यक्रम)

परि. सं. . . . . कूट सं. . . . . .

1. देय तारीख तक किताब न लौटाने पर नियमानुसार विलंब शुल्क देना होगा।
2. यदि किसी और को जरूरत न हो तो किताब दोबारा जारी की जा सकती है।
3. किताब पर कोई भी निशान लगाना या कुछ भी लिखना सख्त मना है। इस पर दंड का प्रावधान है।
4. किताब को गंदा करने, फाड़ने, खोने या देय तारीख के 30 दिन के अंदर न लौटाने पर उसकी जगह वही नई किताब या दुगुनी कीमत देनी होगी।

कृपया किताबों को साफ़–सुथरा रखने में मदद करें।

संपर्क
ईमेल – shaheedniyogipustakalaya@gmail.com

CONSULTATIVE MEET : 15 JUNE, 2004

FOREIGN EDUCATION PROVIDERS

Issues and Concerns

REPORT

3-3.1.1

Higher Education Unit
NATIONAL INSTITUTE OF EDUCATIONAL PLANNING AND ADMINISTRATION
17-B, Sri Aurobindo Marg, New Delhi 110016, INDIA

379.1.1

Report of Consultative Meet

Foreign Education Providers
Issues and Concerns



Higher Education Unit
National Institute of Educational Planning and Administration
17-B, Sri Aurobindo Marg, New Delhi-110016

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Foreword

The consultative meet, "Foreign Education Providers in India: Issues and Concerns" was organized on 15th June 2004 at NIEPA. The objective of the meet was to gain the first hand experience of some successful Indian institutions establishing branch campuses abroad. The experience gained therefrom will facilitate to create an environment in which Indian education can flourish abroad. The phenomena of foreign educational institutions coming to India are recent although not a new one. The regulatory framework for such institutions is in the interests of student as well as parents. The challenge in the age of globalization is to accept the mutual co existence of various higher education providers. However, all of them must strive to pursue the national goal of higher participation, equity and quality of higher education to support national economic development.

I hope the deliberations of the meeting put forth in the report will be of help in finalizing the various policy points in relation to the internationalization of higher education in India. The topic is an exhaustive one and many more such reports may be needed to clarify the various dimensions of the internationalization of education. However, I hope this report will prove useful to the policy makers.

I am thankful to Shri R. Gopalan, Joint Secretary, Ministry of Commerce and Mrs. Bela Banerjee, Joint Secretary, Ministry of Human Resource Development, for making their contributions in the consultative meet. I am thankful to Prof. G.D.Sharma for chairing the technical session. Lastly I thank all the project staff and Prof. Sudhanshu Bhushan, Senior Fellow & Incharge, Higher Education Unit for conducting the meet and preparing this report.

(Pradeep Kumar Joshi)
Director, NIEPA

8th August 2004

Preface

A new dimension to the higher education structure is emerging in India due to the pressures from internationalization of education. Last decade witnesses the growth of Indian educational institutions imparting education abroad. Almost parallel to this, is the phenomena of the growth of foreign institutions/Universities providing education in India mostly in collaboration with Indian partners. As internationalization of education is said to promote knowledge across borders it is considered desirable to understand this phenomena.

As in recent years some Indian institutions have very successfully been promoting education abroad, it was thought desirable to know the first hand experiences of their operations in foreign countries. It is with this objective that the consultative meet was organized.

The effect of internationalization of education has also been in terms of many foreign institutions operating in India in collaboration with Indian partners in an unregulated situation. It was also thought desirable to understand the points of view of the foreign education providers in India. With this objective some of the foreign education providers were also invited to present their points of view in terms of quality provision of education.

In preparing the report entitled, "Foreign Education Providers: Issues and Concerns", the objective was to understand the larger phenomena of internationalization of education in Indian context. The views that emerged from the consultative meet enriched the report in terms of our understanding on the issue. The report is an analytical one and covers the broader dimensions of internationalization of higher education.

Form BITS Pilani experience at Dubai, it is clear that initially it faced visa problem for students. There was also a compulsion to go for collaboration with a local partner. It was not possible for BITS Pilani to purchase land for developing sufficient infrastructure. Initially introduction of courses based on UAEs Islamic laws was insisted upon there was also problem of getting government job either in Dubai or outside, including India, for students having BITS Pilani degree. Sharing of revenue did not pose a problem.

For branch campus BITS Pilani pays 15% royalty per student.

Over time many problems were resolved as Dubai broadened the concept of export free zones where any university of world repute can come. The problems that still remain relate to:

- Visa restrictions
- Mutual recognition of degrees by both the government.
- Important lesson is that understanding domestic regulation of different countries where India wishes to export education is necessary so that limitations or restrictions to open branch campus can be overcome through negotiations.

From MAHE experience in Malaysia, it was clear that mutual co-operation of India and Malaysian government was crucial in establishing branch campus abroad.

The problem is that MAHE medical degree got recognition in Malaysia, but Medical Council of India does not recognize the degree. What should be the process of recognition of degree in India provided by reputed Indian institutions abroad (deemed universities/private institutions) is a vexed issue up till now.

Another important problem is that after getting MAHE medical degree students from 41 countries have to prepare themselves for clearing the examination in their our countries to practice medical profession. MAHE helps them to clear the examination. So from MAHE's experience too, the real issue is how the regulation of 41 countries can be streamlined? So this is also the question of mutual recognition of degree by the respective countries that need to be resolved. Connected with the issue of recognition is the issue of harmonization of degrees meaning thereby harmonization of years and content and the possibility of the transfer of credit.

There are also issues relating to Indian institutions collaborating with foreign universities and imparting education in India. Issues related to:

- Recognition of degree in India by the government.
- Ensuring the registration and quality assurance and thereby regulation of foreign education providers.

- Immediate concern is that there is no regulation except for AICTE. The terms of regulation should include issue of accreditation. The campus and land ownership restrictions are considered the stumbling blocks in the getting recognition of institutions.

An important aspect with respect to the co-ordination among different institutions was pointed out. As an example, UGC and AICTE must co-ordinate in framing regulations. If AICTE frames the regulation allowing foreign institution/university on certain conditions, UGC should also move together as the right to grant a degree rests with the university, which should be recognized by UGC only. Similarly if UGC grants a deemed university status to any institution thereby permitting the authority to grant a degree then MCI or DCI should also recognize the degree. It requires a process of prior consultation or removing of legal distortion that causes overlap of authorities. Co-ordination between state government and the central government and the regularity authorities is also important in matters of education policy. Recent example is Chattisgarh legislation on private universities and UGC's subsequent notification on putting scanner on the private universities. Hence it is necessary that state government should create any legislation only after proper consultation with the Central government and other regulatory authorities.

The report is presented in six small chapters. The first chapter is an introduction to the phenomena of internationalization of education in India. It addresses the concepts, potentials, issues and concerns in the internationalization of education. The second chapter specifically deals with the export of Indian education abroad. In particular it documents the experiences from BITS, Pilani, MAHE and NIIT in opening branch campuses abroad. There are various issues with respect to visa, domestic regulation, sharing of revenues, collaboration, recognition, and accreditation of Indian degrees that have been highlighted. Chapter 3 is on the operation of foreign institutions in India. Some results have been taken from the research study on foreign education providers in India at the Higher Education Unit, NIEPA. The imminent need of regulation for quality assurance is the perspective from which the opinions were gathered and have found place in the report. Chapter 4 is on the movement of students to and from India to pursue higher education. It considers very briefly the implications of the movement of students. Chapter 5 is on the institutional and government initiatives to facilitate higher education abroad and chapter 6 is on conclusions and recommendations.

In preparing the report the feedbacks received from the consultative meet were quite useful. Prof P.K. Joshi, Director NIEPA chaired the inaugural session. R. Gopalan, Joint Secretary, Ministry of Commerce, delivered the keynote address and Mrs. Bela Banerjee Joint Secretary, Ministry of Human Resource Development, outlined the various aspects of the topic to be discussed during the consultative meet. Madhukar Sinha, Director, MHRD and Ms. Supriya Rangnathan, Director, Ministry of Commerce and Industry gave important suggestions. I am thankful to them. Prof. G.D. Sharma, Chaired the Technical Session of presentations and discussions of the meet. I am thankful to him for sparing the time. I am particularly thankful to Prof. L K Maheshwari, Director, BITS, Pilani, S Guru Madhav Rao, Registrar MAHE and Ajit Motwani, Director (Technical) EdCIL, Dr. Renu Batra, Joint Secretary, UGC, Dr K. Gunashekran, Joint Secretary, UGC and various representatives from the institutions providing foreign education. Prof. S K Jain and Prof. Binod Khadaria, members of Technical Committee, WTO attended the meet. I thank them for their opinions.

Research cell on Foreign Education Providers consisting of Project Assistants, Dr.Nilay Ranjan and Mr. Subrato Kundu have helped in finalizing the report. Dr. Kausar Wizarat, Research and Training Associate, NIEPA and Mr. Vijay Vrat Arya from WTO cell helped in the conduct of the meet. I am thankful to them for their research support. Lastly, Mr. D. Kamaraj, Project Data Entry Operator provided the computer assistance in finalizing the report. I am thankful to him.

(Sudhanshu Bhushan)
Senior Fellow & Incharge
Higher Education Unit

8th August 2004

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Chapter 1

Introduction

1.0 Background

For a variety of reasons-external as well as internal- the Indian higher education institutions, both public as well as private, have begun to show interests in opening institutions abroad. There has also been some initiative to attract foreign students in higher educational institutions in India. This is a new phenomenon of exporting Indian higher education abroad, albeit on a moderate scale. This issue is of great importance both in terms of understanding new phenomenon as part of internationalization of education as well as its effect on economy and society, in general, and on education, in particular.

Almost parallel to this is the phenomenon of foreign institutions showing interests in Indian higher education segment dominated by the drive for exporting education by the developed countries, in particular, UK, USA, Australia and Canada. Private partners or promoters in India show keen interest in promoting foreign education because of the large markets in this segment. Indian students, too, are going to foreign destinations for higher studies, in part, lured by better opportunities of education and employment.

Both the phenomenon, reflecting internationalization of education, needs holistic understanding for providing new directions- through controlling as well as facilitating conditions by the state. A meet consisting of the representatives from the Indian institutions exporting Indian education abroad and the institutions promoting foreign education in India was organized by NIEPA on the 15th June 2004 to understand their experiences and view points.

The present report is an attempt to analyze both the phenomenon of export and import of higher education, in totality, presenting arguments from the standpoint of all the stakeholders of higher education. The experience sharing of the representatives referred to above provided rich experiences and viewpoints from their angle that helped to understand the phenomenon of trade in higher education.

1.1 Reason for Growth of Foreign Education Providers

Firstly, the phenomenon of globalization has led to the emergence of market economy. In the field of education there emerged various compulsions in the public provisioning of education, which has given rise to the growth of private educational institutions in the last two decades.[1] In fact the emergence of foreign education providers in India is also an offshoot to the process of privatization and globalization of educational institutions.

Secondly, the phenomenon of internationalization of education is also the result of an integrated knowledge economy due to the ICT revolution. This has made the concept of national borders irrelevant so far as the transmission and dissemination of information and knowledge is concerned. The integration of knowledge society knows no boundaries and therefore the foreign institutions have become active to disseminate the knowledge through packaging of various programmes.

1.2 Internationalization of Higher Education

Internationalization of higher education refers to "cross border education (often referred to as transnational education) which involves students, teachers, scholars, programs, courses, curriculum, projects moving between countries and culture, in short, across borders." (Knight, 2003)[2] Cross border education may be commercial in nature but need not necessarily be so. Traditionally, a wide range of educational activities was part of international academic linkages and agreements, international development/aid projects that had no commercial intent. However, recent developments such as globalization and the context of GATS have added trade or commercial dimension to the cross border education.

In the literature there is yet another distinction between cross border education and borderless education. The latter term is used to refer to the fact that in the knowledge society the geographical barriers must disappear as ICT revolution has made it possible for the knowledge to cross so swiftly across states. Besides knowledge diffusion has led to the borders of discipline irrelevant also due to advances in ICT. Yet in a former sense the borders are

[1] Asha Gupta (2004) Divided Government and Private Higher Education Growth in India, International Higher Education, Spring 2004.

[2] In the literature internationalisation of education also refers to host of activities, which help students develop international understanding and intercultural skills without ever leaving the campus.

important so long as nation state exists and the primary importance of education is to serve national interests.

1.3 Status of Higher Education in India

India has a very huge higher educational structure. It is second largest higher education system in the world, third largest pool of skilled manpower, 304 universities, 14600 colleges, 10 million students and 5 million teachers. Participation rate in higher education is only 7% in our country. To raise the participation rate in our higher education structure should an overriding concern for policy makers.

Recently, private colleges and universities under state legislations and foreign universities and institutions have also emerged as education providers, although the presence is minimal and restricted to cities only. It should not be the case that the internationalization of higher education becomes an over riding concern over the national higher education structures in India. The implication of internationalization of higher education on this structure is an important concern.

1.4 Import of Foreign education in India

The internationalization of higher education has led to the emergence of Foreign Education Providers in India in 1990's. The foreign universities attempted to market their programmes of higher education in India. Representative of several countries visited India and attempted to market their programme through media, fair, counselors and direct negotiation with Indian institutions. In this process private institutions in India have various forms of collaboration with foreign universities. These institutions are providing selective courses, which have job prospects and therefore attract students to these institutions. At present there are three important categories of institutions that are operating in India. The first category is direct commercial presence of the foreign institution in terms of offshore/branch campus. The second category is the commercial presence through collaboration with Indian partner. And third one is distance-learning programme. The chapter two of this report discusses Indian institutions abroad and chapter three focuses on the presence of foreign institutions in India.

1.5 Export of Indian Education Abroad

In the context of internationalization of higher education the 90s shows the growth of Indian institutions abroad. Government has also taken certain initiatives to attract international students in Indian institutions. In the first category of export of Indian education abroad Indian institutions like MAHE, BITS Pillani, NIIT and other institutions have opened up their braches in Gulf, South East Asia, South Asian and African countries. The Indian institutions are providing quality and cost effective programs in these countries. And this led to increase of demand of Indian institutions abroad. The second category of export of Indian education is the presence of international students in Indian institutions. Under this category there is declining trend in the last few years. The data of flow of foreign students from different countries shows political disturbance in the country from where student are coming to India as one of the probable reasons for the decline. Most importantly, US, Australia, Canada, UK and other European countries are vigorously marketing educational programmes to attract international students. India is lagging behind advanced countries in marketing educational programmes, although government has taken various initiatives, which are discussed in the chapter four.

1.6 India's Potential in Delivering International Education: Abroad and in India

The pace of cross-border education is growing day by day. But still only about 30 countries have taken commitments on higher education. USA is a leading exporter of education services. France, Germany, UK and Australia are the leading competitors to USA. India has huge potentials, but it has so far not made commitments.

India may turn into an education hub, which is preferred by all foreign students. Indian education sector can emerge as an educational destination for most of the Asian, African and Latin American continent. Following are the opportunities for India:

- Foreign students specifically in the south East Asia, Africa and Middle-East would prefer to join educational institutions in India, as it is not only qualitatively superior but also far more cheaper than universities in U.K or USA.
- International trade in education is growing at a higher level with increasing number of students going for study abroad. There are various exchange programmes also for faculty and researchers. Indian

education sector has immense potential to have a share in the global education market. India has huge trained manpower with various types of occupations. We can also provide teachers to other countries. Educationists from our country can go for long or short assignments abroad for research or co research activity. These entire one can think of as commercially viable opportunity at this point of time.

- Distance education through Internet or through correspondence course to students, too, has potentials as India has good telecom infrastructure.
- We also have Indian Diaspora who would like to educate their children here in India or have educational institutions set up abroad.

1.7 *The Issues of Internationalization of Higher Education*

Internationalization of higher education added several important issues. These issues can be divided into two categories. Firstly, the issues regarding challenges faced by the Indian institutions who are providing education abroad and the movement of teachers/researchers to foreign countries. Secondly, those issue who are preventing foreign students from availing the facility here and also issues related to foreign institutions operating in India.

What are the hurdles Indian institutions are facing in setting up branches abroad? With respect to this point, important issues are obtaining license for opening branch campus, domestic regulations, compliance to FDI regulations of foreign countries, competition with high standards of local institutions abroad. Recognition of Indian degrees and qualifications and equivalence of degrees are yet another important issues those need to be sorted out. How can we popularize the distance education from Indian institutions?

An important issue is to send Indian teachers and researchers abroad to serve educational institutions there? Normally restrictions exist in terms of economic needs test, visa restrictions. Immigration requirement is a problem for them. For short-term assignments recognition of Indian degrees and experience of Indian teachers and researchers also pose a problem.

What are the difficulties Indian students are facing abroad is also an important issue to understand? It involves outflow of foreign exchange. Student movement to the different universities is a natural outcome of internationalization of higher education. However in this process brain drain may also occur. The student going abroad and acquiring higher education should be lured to join jobs in India.

What are the factors that are preventing foreign students to come to India? This is a big issue facing Indian institutions relating to quality, competitiveness and raising the standards of Indian institutions to international standard. There is no single window clearance for the students aspiring to study in India.

With respect to foreign institutions coming to India the issue is one of needs and quality. There is urgency to move from unregulated operations of foreign institutions to one of developing a rational rule based system of the operation of foreign institutions.

1.8 Concerns for India

The context of internationalization of education services adds new dimension to the policy issues. New dimensions are added, as until now government was the sole higher education provider. The newly emerging education providers- private as well as foreign- is creating their own space. This development led to the following important concerns for the government.

- These relate to the issues of needs, quality, recognition of institutions, accreditation of degrees, among others.
- Indian degree and program are not recognized in the developed counties like UK, USA. This will create obstacle in movement of skilled persons from India.
- The host countries as well as Indian authority do not recognize foreign degrees in India. Foreign degrees are accredited by private agencies only.
- The courses offered by foreign institutions are non conventional. They also have varying duration of the courses. The curriculum for the same course varies from institution to institution. This creates confusion for parents and will create obstacle in measuring the quality of course/program.
- The rate of export of Indian education abroad is very slow.
- Large outflow of foreign exchange due to outflow of students to the USA and other destinations.
- The declining trend of the foreign students in Indian institutions is yet another important concern.

1.9 Objectives of the Consultative Meet

The objective of the consultative meeting was to obtain experiences of Indian universities and institutions working in collaboration with foreign universities to provide education in India and the Indian institutions providing education abroad. The experiences of private educational institutions were discussed on the following issues:

- With regard to nature of collaboration with foreign institutions;
- In dealing with regulatory authorities in India and abroad;
- The experiences and difficulties of Indian institutions in setting up campuses abroad only.

From the point of view of educational policy and planning it is important to know the feedbacks/experiences of private educational institutions who are working in collaboration with foreign universities. The experiences of private educational institutions would help the government to provide proper framework for recognition, supervision and monitoring of the foreign education providers in India.

Chapter 2

Export of Indian Education Abroad

2.0 Introduction

The process of internationalization of education witnessed a remarkable change in terms of export of Indian education. Export of education from India results from Indian institutions operating abroad and foreign students joining educational institutions in India. Many Indian institutions are opening their branch campuses abroad and are rated high in quality. However, the number of such institutions abroad is lesser than foreign institutions in India. In the higher education segment some deemed universities such as BITS Pillani and MAHE, Manipal and private institutions such as NIIT India, besides some public institutions like Delhi university, IGNOU, SNDT college, Mysore university and Madras university are making their presence felt abroad. There are good prospects of popularizing Indian education abroad by enlarging the participation of Indian universities by taking pro-active policy measures.

2.1 Changing Trend and Growth of Commercial Presence of Foreign Institutions

Earlier students used to go for higher studies from India to UK, USA and Canada and to some other countries. Students were going abroad for studies under the cultural exchange programme or under the fellowship provided by the host country or by paying the required fees. In those days the exposure of foreign degree was restricted to either very talented or to the rich class. Similarly foreign students were visiting Indian institutions under bilateral exchange programmes.

Movement of students apart, the present trend is the commercial presence of institutions, often referred to as transnational education (TNE). While foreign institutions in India are offering programmes, a very recent trend is the presence of Indian institutions abroad. The reason for the commercial presence of foreign institutions is given as follows.

The public universities are not repositioning in tune with the market demand. On the other hand, the new private and foreign universities are providing job-oriented courses, which attract new generation learners. This development led to the growth of these universities.

Due to lack of manpower and skilled persons in the developing countries the role of foreign institutions is felt in equipping the manpower with requisite skill and education. These institutions are providing cost effective and quality programs. Indian universities and institutions too have collaboration abroad. Various institutions have programmatic collaboration with Indian universities For example: SNDT, Bombay, Delhi University, BITS Pilani, etc. But also in school education certain Indian institutions have presence abroad. For example UAE is the hub of Indian schools abroad. It has 18 schools there. Most importantly all the Indian schools abroad have syllabus which are duly recognized in India like CBSE, Kerala State board, Madras State Board etc.

2.2 Indian Institutions Abroad

It is also important to note that some Indian institutions, too, have opened their branches abroad at the higher education level. Some of the Indian institutions are in the process to open up their branches abroad. These institutions face challenges in establishing their branches in different countries. There are various difficulties, which have to be faced by Indian institutions in terms of following their domestic regulations as well as various other issues relating to visa, recognition and accreditation of the courses abroad. It is of interest to know the experiences of Indian institutes, which have established branch campuses abroad in determining the guidelines for policy. Here we are discussing three cases BITS Pilani, MAHE and NIIT.

2.3 Indian Institution Abroad: BITS in a Perspective

The Birla Institute of Technology and Science (BITS), Pilani, an all India Institute for higher education deemed to be a University by the Government of India, was founded in 1964. BITS, Pilani has modeled its education system on the American education pattern (MIT, Boston) and has also adopted semesters, modular structure of courses, continuous and internal evaluation, letter grading etc. It has received the highest ranking of five - star status by National Accreditation and Assessment Council (NAAC) in India, in recognition of its International Standards of Quality Academic Programs. Admissions are made on all India bases and are based strictly on merit. All programs include Practice School option as an important component of the education structure. It attracts annually top - ranking students from Higher Secondary School Boards and the admission process is highly competitive.

BITS, Pilani apart from providing world class education, helps in building a well - groomed personality and provides ample opportunities to students to develop into responsible leaders and dynamic professionals in their careers. BITS, Pilani - Rajasthan, India, now carry forward the same rich traditions and academic standards to its Dubai Campus.

2.3.1 Experience of BITS Abroad

BITS has educational collaboration with institutions in USA and Australia. It supported Kathmandu University, which is a private university in Nepal. BITS has 687 students studying in Nepal. The college was setup with Nepalese University regulation with an agreement that a person studying in Nepal can come and work in India and similarly an Indian can go to Nepal and work there.

2.3.2 BITS Dubai Campus: A View

BITS, Pilani, set up its Dubai campus in September 2000 in association with ETA - NET, a member of ETA - ASCON group. The campus is located at the knowledge village, a set up which offers a huge opportunity to collaborate and create a vibrant learning environment.

BITS, Pilani Dubai has a mission of developing its students to the same caliber of BITS, Pilani India through the same quality inputs, training and internship. BITS, Pilani - Dubai Campus (BPDC) has grown impressively in the last three and a half years. True to its mission, it has been shaping the admitted students as capable professionals through time tested and internationally acclaimed course structure. BPDC has attracted a large number of students from U.A.E, other Gulf countries and also from India. It started with 60 students and now has about 419 students enrolled with it.

BPDC has in all about 36-faculty members both for teaching in class and for guiding the students in the lab. BPDC offers the same courses as BITS, Pilani - India. From its inception, it has endeavored to maintain high quality in its academic programs. The course curricula respond to the growing reality of the industry and the changing needs of work. The programs are designed to allow as many components of science and applied sciences are necessary for the graduates of the programs to function effectively and efficiently in the technological society. The courses are designed carefully through a process of continuous review and interaction with the alumni and the industry. Labs of international quality have been set-up. BITS, Pilani - India, closely monitor the process and the progress at Dubai Campus. Students of BPDC will obtain

their degrees from BITS, Pilani - India, after the successful completion of 8 semesters of program.

In a short duration BPDC has come a long way. Nearly 50 industries in the UAE are having active collaboration with BITSPDC through Practice School-I and Practice School-II. Teaching faculties are permanent and most of the teaching faculties are Ph. D. holders from reputed institutions.

2.3.3 Challenges for Indian Institutions Abroad

As mentioned earlier the Indian institutions, which have gone aboard, had to face several kinds of challenges during establishment of their branch campuses. Some of the issues are settled but few still remain, which become important concern for India.

2.3.3.1 Visa Regulations

Earlier visa was not being issued to the students. In Dubai partnership with a local institution is compulsory for foreign education providers. Till now only parents were issued visas and now the students from any country studying at BITS Campus at Dubai is issued visa by the Dubai Government. But still the law, which has been amended regarding visa rules, is not clear. It suggests that at present on a case-by-case basis visa is being issued to the students.

2.3.3.2 Issue of Domestic regulation

Some countries may encourage foreign institutions whereas some countries may restrict the operation of the foreign institutions through domestic regulation. In case of Dubai initially the Dubai government had asked for introducing courses based on UAE's Islamic laws. Later it relaxed such conditionalities. . Understanding the domestic regulation of different countries is the pre condition for the promotion of Indian institutions abroad.

2.3.3.3 Sharing of Revenue

On sharing of revenue BITS discussed everything first with its collaborating partner and the issue of sharing revenue came later. For branch campuses BITS Pilani gives 15% royalty per student.

2.3.3.4 Issue of Collaboration

In UAE, one cannot buy any land and that's why BITS had to go for collaboration with a local partner. But now UAE government has allowed land to be bought in some areas.

2.3.3.5 Recognitions Of Indian Degree

Students are getting BITS degree. 650 students currently passed this year. It has been assured by companies that they will be getting employment either in Dubai or outside, including India. Initially BITS was asked to join with Alghuriar University. After two years of experience Dubai government broadened the concept of export-free zones where any university of world repute can come. They will have full institutional autonomy of running their own courses and Dubai government will recognize the degree. At present Dubai government recognizes BITS degrees but whether students will get government jobs in Dubai with these degrees is not clear. What emerged out of discussion was that there are two groups of people, one who look for government recognition of degrees. These are particularly local people and the other who attach importance to the market value.

2.4 Manipal Academy of Higher Education, MAHE: A View

Manipal has till today more than 20,000 graduates and has an ever-increasing enrollment numbering more than 30,000 students. The township of Manipal comprises of two universities, 27 professional colleges, affiliated institutes and numerous primary and high schools. Thousands of students study in Manipal institutions situated in Sikkim, Mangalore, Nepal, Malaysia and Dubai.

The Manipal Academy of Higher Education (MAHE) was born when the Professional Colleges were granted university status in July; 1993. MAHE was the first institute in the private sector to be recognized as a Deemed University by the Government of India. Manipal's affiliation with other centers of learning across the globe has facilitated the exchange of knowledge and culture via their students and faculty exchange programs. The Twinning Programs, where the student completes the first two years of education at Manipal and then they are transferred to the USA or Australian affiliated universities to complete the course, are also extremely popular. That foreign university then awards the degree. Students from over 32 countries worldwide come seeking education in this culturally diverse institute. Degrees from Manipal are recognized in over 40 countries, making it a Mecca of educational services.

Except agriculture and veterinary science MAHE provides most of the other courses. At present 2081 foreign students are enrolled at MAHE. Most of the students are in the medical, mainly from USA, GULF, Sri Lanka and Malaysia. Indian origin students from 49 English-speaking countries are at present studying at MAHE.

2.4.1 MAHE in Malaysia

MAHE believes that both parents and students as alumni act as their brand ambassadors. At present every 4th doctor in Malaysia is a product of MAHE. Now MAHE has a branch campus at Malacca, Malaysia with cooperation of Indian and Malaysian government. There was an agreement in higher education between Narasimha Rao government and Dr. Mahatir Mohammed. Based on that MAHE has a medical programme where 2 and1/2 years is done in Manipal which is spent at Kasturba Gandhi Medical college and the remaining 3 years at Malacca, where the government has given hospital facilities for training of students. First batch came out by 2003. The degree is recognized by Malaysian Medical Council and listed at WHO.

2.4.2 MAHE and its Recognitions Abroad

However Medical Council of India (MCI), Considers MAHE medical programme as illegal for MCI does hot have any provision for regulation regarding this. This is where we need to have a different outlook. For example when MAHE President said to Mahatir Mohammed that he was facing regulatory problems in India, Mr. Mahatir Mohammed assured him of all help in setting up MAHE University at Malaysia and giving recognition to their degree. In Dubai the degree is given by MAHE and Dubai government recognizes it. Apart from this MAHE has also twinning programmes in engineering with several US universities, 2 years in Manipal and remaining 2 years in US universities. The same arrangement is with the University of Australia. They have a twinning arrangement in Management with Ohio University, which are an 18-month programme and the last quarter the students spend at Ohio University. The degree is of Ohio University. Three institutions- Knowledge village – Dubai, MAHE – Manipal and Middle East College of Information Technology, Muscat are recognized by Government there.

2.4.3 MAHE Experience with Regulatory Body Abroad

The medical degree at Malacca is given by MAHE but recognized by Malaysian government. In twinning arrangements degrees given by foreign universities are recognized in their respective countries. In all the exchange programmes of MAHE wherever it is taking place there is no problem of the recognition of the students and teachers in the respective countries.

The MAHE degree in Manipal is recognized in Malaysia but is not recognized by the Medical Council of India. To get recognition from MCI it is necessary to be registered in WHO directory on institutions. It is important for Indian institution promoting education abroad to get recognition in the home country.

An important point is how MAHE approaches to get its Medical degree recognized by different countries? MAHE have students from 41 countries. So first they look at regulatory mechanism of those countries for their degrees to be recognized. Suppose a country demands that MAHE students have to pass an examination, and then MAHE also prepares its students for that examination.

At present there exists 41 regulations of various countries. How these regulatory measures can be streamlined? This is the real issue at stake and mutual recognition has to take place at the governmental level, so that the individual appearance of examination is avoided.

2.4.4 MAHE Experience in Foreign Collaboration and Revenue Sharing

So far the arrangement has been that MAHE has campuses in Dubai and Malaysia and rest is twinning arrangements. Twinning arrangements have revenue sharing model always. Foreign institutions give their common syllabus and make evaluation for courses and programmes. Home countries institutions train students for certain period for which credit is transferred to the foreign institutions where the rest of the program may be accomplished. Foreign university gives degree. This model is like partly exporting education and partly importing education.

In case of twinning arrangements in engineering, whatever fee they pay here stays with Indian institutes and when students go there they pay fees according to the requirements of the foreign university. Both MAHE and BITS are deemed to be universities. They have degree granting authorities in India and abroad provided the foreign country does not have any objection. All the universities may not have that strength. Only the deemed to be universities have a special provision in UGC act that they can set up campuses anywhere in the country and set up campuses anywhere in the world.

2.4.5 Issue of Standardization of Indian Program

The MAHE's experience shows that it is the responsibility of educators in our country to make the quality education system and set the curriculum to the international standard. In Manipal there is 98% success rate for the foreign students in the examination of their country. Out of students from 41 countries there are 3 or 4 examinations in total. It is better to adopt an international standard. One of the major issues is mutual recognition of degrees. It means harmonization in both years and content and this can be done by a professional organization. The European countries have harmonized the degrees to the extent of 55%. Hence the degrees are mutually recognized. The basic idea is that their students can freely move and our students can freely move.

2.5 Indian Institution Abroad: Experience of NIIT[3]

NIIT derives immense synergies through its presence in two complementary sectors – software and education. NIIT, an Indian private institution operates through 100% subsidiaries in Europe, USA, Asia Pacific and Japan. NIIT's value proposition includes a distinct quality advantage, availability of leading-edge IT skills and a flexible delivery model. NIIT has built up an impressive array of global customers based on its strengths in these markets. Whether its Fortune 1000 companies such as British Airways, ING, Office Depot and Qantas or key Indian state Governments – an ever-expanding base of clients has benefited from NIIT's expertise and vast repertoire of solutions. The company has also forayed the high growth IT-enabled services segment.

NIIT invests extensively in recruiting, nurturing and retaining the best of the best global talent. In the past two decades the organization has expanded its geographic presence to key global destinations. Its offices, spread across 44 countries, have enabled them to remain close to their customers and provide services on an "anytime, anywhere" basis

NIIT is a diversified global IT services company, offering e-Commerce Solutions, offshore development, applications maintenance/support, legacy transformation, knowledge solutions and Business Process Management. Ranking among the country's top 10 Indian software exporters, NIIT today

[3] Information on NIIT is presented in view of role of NIIT in promoting education abroad. NIIT did not participate in the consultative meet. The information is obtained from the concerned website.

partners with reputed international companies, fulfilling their IT needs with its broad portfolio of offerings.

2.5.1 Background

The NIIT saga began over 20 years ago, in 1981, when three IIT Delhi batch mates – Rajendra S. Pawar, Vijay K. Thadani, and P. Rajendran – decided to create a unique company with a revolutionary mission. Their pioneering vision – of bringing people and computers together – created for the first time in India, an organization dedicated to ushering in IT education and proliferating the use of computers in the country.

It has also helped thousands of individuals make IT their career choice. NIIT has been doing some ground-breaking work with school children and is presently running computer education projects in four state Governments in India. Unusual experiments in education, centered on slum children in India have earned NIIT accolades both at home and abroad. The company's learning solutions have touched the lives of over two million Indians.

NIIT's role and focus in the Indian and international markets is defined through its two major business arms including the following:

2.5.2 NIIT Technologies

NIIT Technologies has a vast portfolio of solutions and services extending from legacy modernization and maintenance to custom software development and maintenance, enterprise integration and knowledge solutions. Creating learning content, providing technology for e-Learning and extending value added services such as knowledge transfer, form a part of the knowledge solutions practice. NIIT Technologies' delivery method is based on both on-site as well as offshore operations.

2.5.3 NIIT Smart Serve

NIIT Smart Serve is a 100% subsidiary of NIIT Ltd. The charter of NIIT Smart Serve is to provide outsourcing of Back-Office Operations, Contact Center Operations and Help Desk support. NIIT Smart Serve portfolio of services seeks to increase the efficiency of operations and provide support for internal and external customers on day-to-day running of the operations.

2.5.4 NIIT Education

NIIT offers the most comprehensive mix of solutions for the IT training sector from computer awareness generation programs, to long term GNIIT and DNIIT courses and degree programs, to specialized advanced training for IT professionals.

2.5.5 NIIT Research and Development

NIIT's Research and Development is focused on virtually all aspects of IT. NIIT has explored the "perception" space with its work in fields such as pattern recognition, image processing, speech recognition and neural networking. In the area of cognition, NIIT has gained expertise in artificial intelligence, expert systems, natural language processing and speech processing. They have also made strides in segments encompassing cyber space, Internet and information highways, user interface devices and human computer interaction. Virtual reality, genetic algorithms, and artificial life are also areas where NIIT has undertaken major experimentation. NIIT's intensive research in cognitive sciences, virtual reality and the human-machine interface have resulted in the development of unique products and services which have fired the imagination of users across the globe.

2.5.6 Excellence of NIIT in Operating Abroad

NIIT emerged as an important player in international as well as national arena. The quality education provided by NIIT is widely recognized by different body. NIIT ranked among the Top 10 Indian Software Exporters in Nasscom's Software Industry Survey, July 2003. It also emerged as the only Asian Company to rank among the Global Top 15 IT Training companies' listing released by global business intelligence firm, IDC, USA for 2001 and 2002. Featured among "Top 10 India's Leaders" for the second consecutive year in the "Review 200 Survey," profiling Asia's leading companies, published by the Far Eastern Economic Review, January 2001.

Again it also got recognised for its human resource development. NIIT ranked among 25 "Great Places to Work" in the Great Places to Work Institute & Business World Survey in year 2003. It was also Conferred the "HRD Excellence Award 2002" by the National HRD Network in 2002. In the year 2001 it conferred the Innovative HR Practices Award by the World HRD Congress.

2.5.7 NIIT and its Educational Program

NIIT's all-new, industry-endorsed GNIIT program for IT career aspirants is aimed at bridging the IT manpower shortage expected over the next three years. It is expected that hundreds of thousands of Knowledge professionals, with sharply defined skill-sets for varied industry needs, will be required worldwide. India alone is expected to face a shortage of 4,30,000 professionals by 2007. GNIIT, with its focus on Software Engineering, Systems Engineering and Networking, Information Systems Management and BPO Management, opens up many career paths for learners.

During the three-year GNIIT Program, students are put through one-year of Professional Practice, a form of internship at leading IT and user organizations. Every year more than 10,000 GNIIT students start working in over 2000 reputed organizations.

Career Edge is NIIT's four-month application-oriented program aimed at providing an "edge" to students in any professional environment.

Whether it is management, sales, marketing, law, finance, architecture or medicine--Career Edge equips students with relevant computer knowledge to fit into any industry.

Creating a PowerPoint Presentation, handling an MS Excel spreadsheet, creating documents in Microsoft Word or using the Internet as an information resource, are no longer tall orders.

Career Edge familiarizes students with all the tools of the technology age, so that they are completely at ease in the new, 21st century work place.

2.5.8 NIIT's Bachelor Degrees in IT

In a major move, intended to bring students and professionals the complete "IT education solution," NIIT has announced degree programs in collaboration with a leading US and Indian Universities. NIIT now offers students:

- A B.Sc. (IT) degree in association with a reputed Indian University.
- The BS-ISS (Bachelor of Science in Information Systems Security) degree program is being offered in association with ITT Technical Institute, Indianapolis, USA, a part of the renowned ITT Educational Services, Inc. The organization has over 70 training institutions

across 28 states in the US and is the largest degree provider in electronics and electronics-related programs in that country.

- The BS-ISS Edge.

2.5.9 NIIT-Foreign University Alliances

NIIT has also established its collaboration with different foreign universities. The list of Universities that have entered into alliances with NIIT include:

- University of Canberra, Canberra ACT, Australia
- University of Sunderland, Sunderland, UK
- Southern New Hampshire University, USA
- Auckland Institute of Studies, New Zealand

2.5.10 NIIT Offices Around the World

NIIT has spread out all over the globe. It has its branches at Atlanta, New Jersey, Seattle, Osprey, Swedesford and Chicago in the USA. In Europe it has branches at Austria, Belgium, Germany, Netherland, Sweden, Switzerland and UK. It has branches at Sydney and Melbourne in Australia. In East Asia it has presence at Hongkong, Malaysia, Singapore and Thailand. It has also branches at Japan and China.

2.5.11 NIIT a Success Story

NIIT's strategic alliance with Microsoft has positioned the training major as the latter's Premier Education and Training partner in India. NIIT and Microsoft have shared a deep and long association over the last many years:

- NIIT was the first independent courseware developer for Microsoft outside of USA;
- NIIT's Microsoft Online Training site on NIIT NetVarsity is the only site from India which prepares software professionals on globally sought after Microsoft technologies through a delivery methodology that's centered around "any time, any place" learning;
- NIIT has the oldest and largest network of Microsoft Certified Technical Education Centers (CTECs) in India;

- NIIT is the first official Microsoft Certified Trainer eligible to certify faculty who can train in a CTEC;
- NIIT has produced the largest number of Microsoft Certified Professionals in India-over 28,000 so far;
- NIIT has developed over 1000 hours of instructions with Microsoft, covering various curricula including .Net, XML, e-Commerce, Windows 2000, Windows XP, Visual Studio, Biztalk and MSTV platforms enabling CTECs worldwide to train their students through learning material on Microsoft technologies developed by NIIT;
- NIIT has been conferred the "Best Training Company Award" by Microsoft. This is the highest award conferred on a training partner by Microsoft for the year. It is one of the leading IT product developers in the world which helps in deploying cutting edge solutions for a majority of *Fortune 500* companies;
- NIIT's alliance with Oracle enables many professionals and students to take the requisite courses and certification exams to become an Oracle Certified Professional (OCP);
- In Oracle Authorized Centers, NIIT provides the latest Oracle technologies, procured as a result of the company's close association with Oracle;
- NIIT offers training on Oracle, the latest and complete Internet infrastructure that helps a company deploy applications faster while lowering its cost of computing;
- Courses are also available on Oracle Application Server and programs for Oracle Database will be introduced shortly; and
- The Oracle courses are available in nearly 50 NIIT centers across the country.

पुस्तक क्रं.

Chapter 3

Presence of Foreign Institutions in India

3.0 Introduction

There has been a spurt in the demand for the courses/programmes offered by Indian institutions working in collaboration with foreign universities. However, off late it is being observed that in the absence of a simple and transparent approach to recognize, supervise and monitor the foreign education providers in India, the students feel threatened to join the courses offered by the foreign educational institutions. This creates uncertainty in the minds of guardians/parents. This has also led to the closure of programmes as well as institutions as the students are reluctant to join these courses. It is, therefore, in the interests of all the stakeholders of education to strive for the proper educational policy framework for the new providers of education. Most of the Indian foreign education providers were of the opinion that due to flexible and qualitative education system the influx of foreign universities in India is increasing.

3.1 Presence of Foreign Institution in India: A Glance

So far as the commercial presence of foreign institutions in India is concerned, UK has 31, USA 18, Aus 2, France 6, Canada 3 at different places of India. Of course we don't have reliable information on this. Various advertisements of foreign universities don't give accurate picture. The advertisements are mostly for attracting Indian students abroad. About institutions operating in India we have got information from websites and from different country embassies. So these are the universities, which are approved by the Embassies and there may be institutions, which are not approved by the respective country embassy, and are operating in India. This is also the concern of the respective embassies.

3.2 Nature of Collaboration

The Indian institutions have got arrangements with foreign partners in the following four modes. They are: 1. Programmatic collaboration with certain institutions. 2. Branch campuses with Indian partner. 3. Twinning arrangement for certain programme and 4. Student faculty exchange programme.

3.3 Types of Collaboration

- Twining programmes wherein students can complete part of their study in India and then transfer to the main university wherever it may be. The twinning arrangement may be optional to the students.
- Collaborative programmes wherein students can complete their study in India itself.
- Articulation agreements wherein students can study and transfer credits earned at the Indian institution, which has articulation agreement with the foreign university towards the degree at the foreign university. Under the guidelines of agreement only the foreign university which maintains the articulation agreement will accept the credits earned in India.
- Joint degrees wherein students can earn a degree jointly endorsed and awarded by the two-partner institute and foreign institution.

3.4 Country-wise Presence of Foreign University/ Institution in India

Table 1

Country	University/ Institution	Places of Setup
U.K	31	Delhi, Mumbai, Pune, Bangalore, Kolkata, Indore, Chennai
USA	18	Delhi, Mumbai, Pune, Bangalore, Kolkata, Indore, Chennai
Australia	2	Delhi, Mumbai
France	6	Delhi, Mumbai, Pune, Bangalore
Canada	4	Delhi, Mumbai

Source: Embassy, Different websites.

Table 1 shows that UK has largest number of institutions in India followed by USA. In terms of geographical presence the table shows that the four metropolitan cities are the preferred destination for foreign institutions. This may be due to better infrastructure and communication facilities as well as the commercial viability of their courses in these places. At present there are three categories of institutions that are operating in India:

The foreign institution has programmatic collaboration with all three types of institutions i.e., central university, state university and private institutions. For example Gujarat Ayurveda University, a state university has collaboration with nine foreign institutions and this helped in increasing the number of foreign student from 3 in 1998-99 to 35 in 2003-2004. Jadavpur University, a central university has foreign collaboration with University of Tubingenand and University of Bonn, Germany, University of Uppsala Sweden, University of Hiroshima, University of Osaka and University of Nigata, Japan, University of Liverpool and University of Manchester, UK and University of Yale, USA.

3.5 Preferred Courses by the Foreign Institutions in India

There is no database on operation of foreign universities in India. The important sources through which the information of foreign university can be gathered are newspapers, internet, magazine, admission bulletin of different university, and through individual. The sources through which one can know are also not maintaining consistency. The data collected by the research team reveal certain interesting findings. The courses of studies offered by these universities are mostly related to management, medical, information technology and other vocational courses. Some time the information of one institution varies at different place. In the case of AICTE they provided a list to our research team about the foreign institutions who are willing to tie up with Indian institution. The address of the institution maintained in the list is different from what is mentioned in the website. Again the information in list shows that the institutions applied to the AICTE for approval but the web information of the particular institution shows that the tie up is already in operation. Both full time, part time, integrated degree and diploma programs are offered by the same institution.

The record of the foreign universities which are operating in India is not maintained by the embassy and other country authorized information centres like USEFI, United States Educational Foundation in India, and FIRC, French Information Resource Centre. A good number of foreign universities who are providing education in India are from U.K, USA and France. Some of the course structures are designed for three months, sixth months or fifteen months basis rather than yearly on which most of the Indian university designed their program.

The case study of 25 institutions in and around Delhi shows that preferred courses by the foreign institutions in India are: Business management (60%), Travel and Hotel management (15%), Architecture

(10%), Information technology (10%), Fashion Designing (10%), Social sciences (5%).

3.6 *Infrastructure Facilities*

The infrastructure facilities of the institution play an important role in delivering education. In case of foreign institutions it is good or bad it is difficult to say unless we have research study on it. From the discussion an impression emerged that they do have good library facilities and IT equipped classrooms and do have a placement cell.

3.7 *Accreditation of the Courses*

The question of accreditation shows lot of inconsistency. In case of IILM the National Board of Accreditation, Government of India, Association of Advance Collegiate School of Business and Association of commonwealth University accredit it. While in the case of Ansal Institute of Technology the course is not yet accredited. But in general, most of the institutions claim that they are accredited but their authenticity is in question.

3.8 *Recognition of the Institution and Degree*

The degree of all the foreign education providers' institution is recognized by their collaborative institution. Indeed all the institutions are claiming that their degrees are recognized throughout the world. Most of the institutions claimed that their education and training system relies heavily on learning parameter. In the IILM, at the institute all the students are required to attend lectures, seminars and tutorials and also conduct industrial training at the different industry. Most of the institutions are offering counseling services and assistance to the student. One institution is offering different courses recognized by different body. AICTE may be recognizing some of the courses but all the degree the foreign institutions are providing is not recognized by the AICTE or any Government of India recognizing authority. The Wigan and Leigh argue that confidence of the students and teacher shows that the beneficiary of the foreign education provider institution recognize the degree.

3.9 *What the Institutions Lack*

The foreign education providers complained about the provision of land allotment and construction of building. They argue that government have

put restriction that the institutions who don't have their own campus will not be entitled to get recognition of their degree in the case of joint venture. But in reality new institutions don't have capital to construct building without any subsidies.

Another important issue on which the foreign education providers are lacking is long-term vision and the perceptions for these institutes. These two factors help the institution to contribute positively in national development.

Most of the institutions claim that they were able to develop faith about their programmes among the students and parents. But in actual reality these become a compulsion for parents and students. The growth of population and limited opportunities in the public sector universities left very few opportunities for the students and parents.

3.10 Benefits

The foreign institution in India may provide opportunities to Indian institution to update their curriculum, input in introduction of newer courses and innovations in teaching learning processes etc. If Indian institution develops all these, quality in these institutions will be high and they will be able to attract more international students and also generate revenue for their own institution.

3.11 Relevance and Recognition of the Foreign Education Provider in India

The student, teachers, parents and employers play an important role in recognizing the relevance of any course or degree. In the case of foreign degree in India the response of students, teachers and last few year placement records of the institutions shows that the emerging new markets recognize these degrees:

- Most of the students who are pursuing their degree are found quite confident about their career;
- The placement records of the last few years of the institution shows that almost all the important corporate houses are recognizing these degrees. The employment trend of these institutions also shows the relevance of the courses;
- The students of these institutions are meeting the demand of new global market. This also shows the relevance of the degree; and

- Most of the parents are financing themselves or taking loan to fulfill the requirement of the course. This also shows that parents are recognizing the relevance of the course.

Chapter 4

Movement of Foreign Students in India and Indian Students Abroad

4.0 Introduction

The process of internationalisation of education not only affected the movement of institutions but it also affected the movement of students. During the 90s all the countries marketed their programs to attract the foreign students. The shift in international scenario and changes in the different countries domestic regulation enhanced the pace of movement of students. The country like USA, UK, Canada, Australia and some other countries were quite successful in doing so. The country like New Zealand not only promoted their education but also gave incentives like immigration and employment in their country. This development had also its impact in India. The outflow of Indian students abroad is constantly increasing, at the same time the status of foreign students in India has not shown much changes. In this regard the report also tries to highlight the movement of Indian students abroad and status of foreign students in India.

4.1 Inflow of Foreign Students in India

The number of foreign students in India shows a constant growth from 1999 to 2002. In the year 1999-2000 the number of foreign students was 6988 and in 2000-2001 and 2001-2002 it was 7791 and 8145 respectively. The majority of the students who are coming to India are from developing countries.

Table 2
Inflow of international students (Top ten countries)

1	Nepal	873	6	Yemen	349
2	Mauritius	550	7	America	331
3	Kenya	548	8	Thailand	307
4	Bangladesh	544	9	Sudan	301
5	Sri Lanka	504	10	Ethiopia	281

Source: Powar K.B (2002)

Table 2 shows that majority of students are from Nepal followed by Mauritius, Kenya, Bangladesh and Sri Lanka. From the table it emerges that most of the foreign students coming to India are from South and Southeast Asia, Middle East and Africa. The low cost and high quality of Indian education system is a big attraction for the students of these countries. Therefore any effort to attract the foreign students to India should focus on the requirements of the students from these regions. We will also have to look at the students from Europe, North America and Latin America in the coming years.

4.2 *Outflow of Indian students abroad*

Table 3

Year	*Number of students*	*Country*
2002-3	*74,603*	*USA*
2002-3	*14,000 (43% from south India)*	*UK*
2002-3	*11280*	*Australia*
2002-3	*2600*	*Canada*
2002-3	*1000*	*France*

Source: IIE Report, 2001, Websites of different institutes

Table 3 shows that USA is the most preferred destination for Indian students who want to go abroad for higher studies from India followed by UK, Australia, Canada and France. The table also shows that the students who are going to UK from India, out of them a significant number are from South India. In this era of Globalization and Internationalization of higher education the movement of skilled and unskilled persons will definitely grow in larger proportions than any previous time in history. Therefore, along with movement of labour forces across borders a lot of movements will also occur among students, teachers and researchers. However the main challenges for the policy makers will be to raise the standard and quality of higher education across Indian universities, keeping in view the larger educational goals of equity. Along with this the challenge will also be to ensure that the foreign institutions coming to India also fit in with the developmental goals of our nation.

4.3 Implication of Outflow of Indian Student

4.3.1 Brain Drain

The concept 'brain drain' has been used in the context of students from premier institutes of engineering and medical that after completing their graduation go for jobs either in USA or Western Europe. It is being argued that these students after completing their course, rather than contributing to the development of India prefer to go abroad. Therefore the huge public money, which was invested in their education, goes in vain. Besides the migration of this elite section of our students also hampers the purpose for which these premier institutes in the field of medical and engineering were created. In fact the ICT revolution where USA is the global leader has been possible due to a large contribution from Indian students in the Silicon Valley. Keeping these aspects in mind it is being argued that it is better to have 'brain drain' rather than 'brain in the drain'. However, this argument reflects a sense of helplessness among the educated who feel that the Indian system hardly provides an opportunity to realize one's potential. Besides many have also observed that the bureaucratic system tries to curtail any innovative venture and it is also the dominant feature of Indian governance structure.

In this era of knowledge society human resources are the backbone for growth and prosperity. Therefore a comprehensive policy is required where the highly skilled sections of our students will have an opportunity about making a career in India. We should also introspect as to why the same people while in India can hardly make any contribution in our country, excel when they go abroad. This shows that our system does not give an opportunity to realize one's potential. This has to change if we want to make India a developed country by 2020.

4.3.2 Outflow of Foreign Exchange

Besides when students from India go for study abroad a significant amount of foreign exchange drains out of our country. Any student wishing to study in the US must take the TOEFL apart from GMAT/GRE/SAT. The amount each Indian student has to spend on an international test taking process is listed below:

- MBA Abroad: GMAT + TOEFL - Rs. 16685/- almost 16 times more than the CAT;

- MS Abroad: GRE + TOEFL - Rs. 12690/- almost 11 times more than the CAT; and
- Undergraduate Studies in the US - Rs. 8930/- almost 9 times more than the CAT.

The cited amount covers only the testing process. All international institutes charge a separate fee per application depending on the institute. (Please note the range of the fee charged is not subject to any government control) Every individual student sends out an average of 6 applications adding another US$ 600 (app. Rs. 22, 500/-) to the bill. Then there are the usual costs: Tuition fee: US$ 15,000 to US$ 50,000, personal expenses US$ 800 per month, compulsory insurance, air-tickets, parents visiting - another US$ 15,000, sending applications abroad (postage), visa fees. Adding up all this, we arrive at mind-boggling figure of 15 to 20 lakhs or more. Given this calculation, 1.5 lakh Indian students spend an average of 562 crores on "tests" and applications for studying abroad.

The government could begin by making the CAT compulsory for all international institutes wishing to admit Indian students. Presently, around 1.5 lakh students go abroad for education and the number is constantly on the rise. They too have to take various exams, for example: GMAT* (MBA/PHD), GRE* (MS/PHD), SAT* (Undergraduate studies), IELTS* (Accepted by countries like Australia, New Zealand, UK etc), TOEFL* (US). Each of these tests are expensive, CAT in comparison costs a fifth of the fee charged for any of these exams! If the IIMs were to use a common test, which international schools could take, and increase the CAT fee for all students wishing to study abroad to Rs.5000/- then like IIMs, India can easily net at least Rs. 37 crores. This is a win-win situation, as the test taking fee is reduced for the student, foreign exchange does not leave the country, IIMs (CAT) make more money, government does not need to give grants and so on. Furthermore, if the government with the help of the IIM test committee succeeds in getting international recognition for CAT to be an international test, one can only begin to imagine the benefits.

4.3.3 Process of Integration into Global Order will Increase

The outflow of Indian students has also its positive aspects. In the long run it also does contribute to our foreign exchange through remittances from abroad. Along with this flow of money new ideas and innovations also flow across borders. This will in the long run also percolate down to our society. No doubt the television has brought images and ideas of various parts of the

globe to millions of Indians, the outflow of Indian students also does contribute to this process.

4.3.4 Helps in Establishing Recognition of Indian Education Globally

The contribution of Indian students in the Silicon Valley has helped in enhancing the brand value and the global standard of our IITs. Besides the students from India wherever they have gone have excelled in their field. The recent success of Business Process Outsourcing (BPO) has also helped to ensure the competitive strength of the educational institutions and the human resources in India. This has increased the awareness among the various countries around the world about the high standards of Indian education system. The success of Indian students abroad is also one of the factors which has motivated students from South and South-East Asia, Middle-East and Africa to choose India as a destination for higher education, where the education is not only of good quality but also of lower cost, compared to the developed countries.

Chapter 5
Institutional and Government Initiatives to Facilitate Higher Education Abroad

5.0 Introduction

Globalization is an inescapable reality. In education, it is visible in the increased flow of students from one country to another in search of higher, better and/or cheaper learning opportunities. Through international education, Students get access to the latest knowledge and advancements in their chosen fields. Students become cultural ambassadors', enhancing the image of their country abroad. Students get first-hand exposure to the culture and society of other countries, thereby increasing international understanding. Institutions and countries that attract foreign students get sizable economic benefits. For instance, in 2001-02 foreign students brought in more than $ 11.95 billion to the US economy; and in Australia, education has emerged as the eighth largest export revenue-earning sector.

This process of globalization in the field of higher education has now received a great boost with the emergence of the General Agreement of Trade in Services (GATS) regime. Education is identified as one of the 12 main services, which have to be opened up for free flow of trade between countries. The form of this flow will become clear only in April 2005 when GATS comes into full force after rounds of negotiations among participating countries including India. When that happens, higher education will become internationally tradable service in many ways. Already several countries and institutions are gearing up to this reality.

In this era of globalization student mobility between different countries is encouraged through different international level programmes. Some of the established programmes are: European Action Scheme for the Mobility of University Students (ERASMUS), University Mobility in Asia and the Pacific (UMAP), International Academic Mobility (IAM) for Canada and University Mobility in Indian Ocean Region (UMIOR).

Internationally recognized and cost-effective education of top quality in India attracts students from all over the world. Some of the Indian Universities namely University of Hyderabad, University of Pune, Goa University, Visva-Bharati, Manipal Academy of Higher Education and University of Mysore are offering short-term courses for international students under a programme called 'Study India Programme'. The programme, which offers courses on Indian History, folk arts, music, temple architecture, philosophy and crafts

caters to the growing interest abroad in India's rich culture and tradition. Universities and Colleges have been permitted to create supernumerary seats to the extent of 15% of their approved intake exclusively for foreign students. In this regard, preference is given to Persons of Indian Origin (PIO) and there is a reservation of 5% of seats for NRI students.

Indian Universities have also been permitted to set up campuses abroad. Already some Deemed Universities have set up campuses in Middle East, Malaysia, East Africa etc. IGNOU is currently offering its programme in 22 countries extending the Indian open learning opportunities to the international community, including Indian Diaspora. University of Delhi has collaborative arrangements with 35 Universities throughout the world for students and faculty exchange, besides running cultural immersion and language programmes.

5.1 Institutional and Government Initiatives in India

Broadly speaking, there are two ways to face globalization. One is to adopt a defensive posture based on the desire to protect one's own turf from outside market forces that could have adverse business and other impacts. The second is to embrace globalization as an area of new opportunities to improve quality, offer more value and increase presence and revenues. Indian higher education already has a high brand value abroad, as evinced by the high and continuing demand for qualified professionals educated in the country in fields like engineering and medicine. In sectors like IT, a huge amount of foreign investment is pouring into the country largely due to the quality of graduates and postgraduates emerging from Indian higher education institutions in this field. Several Indian universities and institutions have been attracting students from developing and developed countries over the past few decades. In 2002-03 the total number of foreign students studying in India were more than 8000.The global Indian Diaspora also forms a viable and substantial market for Indian higher educational institutions. Globalization will increase the flow of students from all parts of the world to India. It will also increase the need to study in other countries, to gain a better understanding of local conditions and cultures.

As discussed above India has a great potential to attract international student traffic due to its low cost and high quality education. To promote India as a destination for international students various initiatives have been taken by different organizations like Ed.CIL, UGC, and AICTE of the Government of India. Given below are some of the measures taken by these organizations to promote India as a destination of higher education for International students.

5.1.1 Experience of Ed. CIL in Promoting Higher Education Abroad

Educational Consultants India Limited (Ed.CIL) was conceived and incorporated as a Public Sector enterprise by the Government of India in 1981, under the Ministry of Education and Culture (reconstituted as the Ministry of Human Resource Development in 1985) to offer consultancy and technical services in different areas of Education and Human Resource Development not only within the country but also on a global basis.

A focused programme to establish India as a quality destination for higher education is being drawn by the Educational Consultants India Limited (Ed. CIL), which is planning to attract at least 1,500 foreign students from countries across Asia and Africa in the next year. It expects estimated revenue of $5 million paid by foreign students in 2004-05. Ed. CIL plans for a revenue growth target of 200 per cent for education exports in 2004-05. The strategy is to aggressively market Indian education in Asian (SAARC, Middle East, and South East Asia) and African countries, which have been identified as the potential markets. This will be done through personalized visits, publicity in these countries and working closely with the country missions, universities, and NRI/PIO bodies in these countries. The number of target countries is being increased to 24 from 8 last years. The focus countries this year will be Ethiopia, Kenya, Mauritius, Sudan, Tanzania, Uganda, Bangladesh, China, Indonesia, Malaysia, Nepal, Sri Lanka, Thailand, Bahrain, Iran, Jordan, Kuwait, Oman, Qatar, Saudi Arabia, Syria, UAE and Yemen. An additional 25 institutions will be brought under the Ed. CIL programme for promoting Indian education abroad.

It proposes to target more premier institutions in the public and private sectors for signing MOUs. These institutions will benefit from enhanced inflow of international students in India. To make the campaign effective, Ed. CIL is promoting India as a country with a vast and developed network of 300 universities of higher learning and over 15,000 colleges in the fields of engineering, IT, bio-tech, agriculture, management, medicine, pharmacy, arts, science, commerce, humanities and social sciences among others. The government has created an exclusive scheme called ***Direct Admission of Students Abroad (DASA)*** wherein 15 per cent of seats have been reserved in premier technical institutions such as the National Institutes of Technology (formerly the Regional Engineering Colleges) and centrally funded institutions for foreign nationals/PIOs/NRIs. According to Shri Ajit Motwani, Technical Director, Ed.CIL, education is a sizeable and growing exports business. It is estimated that there are almost 1.8 million students studying outside their home country worldwide. He says that India has a great potential to attract international students. Important factors considered by students, while looking

for international education options, are cost, proximity, and overlap with their cultural values. For countries in Asia and Africa, India offers a friendly environment, cultural diversity and more importantly the best value for money options. He said one of the underlying benefits of increased international student traffic is the resultant globalization of the campuses. Apart from foreign exchange, other non-quantifiable benefits like two-way supports in trade, investments, and closer international business connections will be the result of such an initiative. The average annual tuition fee for foreign students in India is in the region of about US$ 3,500. Adding another $1,500 per year as annual living expenses, that works out to US$ 5,000 per student per year and Ed. CIL is aiming for an annual revenue of US$ 5 million over the current year.

5.1.2 The Role of UGC in Internationalization of Higher Education

The University Grants Commission (UGC), India's premier policy-making and regulatory body for state-funded higher education has responded to globalization in a very positive way. To leverage on the increasing international opportunities for promotion of Indian education the UGC as a first step initiated a programme for the Promotion of Indian Higher Education Abroad (PIHEAD), which will run through the tenth five-year plan (2002-07).

To achieve this, the UGC set up an expert group of eminent and highly experienced persons from the field of higher education to recommend a strategy to take PIHEAD forward.

5.1.2.1 Promotion of Indian Higher Education Abroad (PIHEAD)

The UGC accepted the Expert Committee's report and on the basis of that report quickly initiated several steps to set the ball rolling at a fast pace:

It set up a standing committee of experts to ensure speedy implementation of its proposals. The UGC Chairman wrote to Vice-chancellors of universities urging their participation in PIHEAD and requested them to submit relevant information to enable quick action. Around 40 universities have to submit the required information. The standing committee explored the potential for collaborating with bodies like the Institute of International Education (IIE), USA and NAFSA, a prestigious, non-profit body of international educators in the USA, and suggested concrete steps to make use of these platforms. The standing committee studied and submitted a report on mechanisms for promotion of Study India Programs in the developed world. The UGC organized a panel discussion with the IIE on

"Globalization and Higher Education in India: Prospects and Opportunities" in October 2003 and gained several insights from experts.

The operational cell of PIHEAD was set up at the Western Regional Office of the UGC in the University of Pune. Advertisements were published in leading national dailies seeking expressions of interest from reputed and professional agencies for marketing Indian higher education abroad. The agencies to assist the UGC have been identified. The PIHEAD operational cell has formulated several specific tasks to take the programme forward. A meeting with Vice chancellors of interested universities with export potential was held in New Delhi in December 2003.

Preparing for Near Future:

PIHEAD is now at a critical juncture, poised for a big take-off. In the next few months the following activities are expected to take place:

A reputed management consultancy with international exposure will be selected to give a clear thrust for marketing Indian higher education abroad. Short-term, non-degree programmes and Study in India programmes will be designed for marketing in developed countries. Promotional materials such as brochures, multi media CDs, and a dedicated website is being designed for PIHEAD. Participating universities are also setting up mechanisms and developing promotional materials for PIHEAD .The competitive advantages of Indian higher education will be showcased at the annual conference of international educators (NAFSA Conference 2004). Education fairs will be held in selected developing countries with the help of professional event management companies for marketing regular, ongoing degree courses. Twinning' arrangements with foreign universities will be explored. Awareness of international education will be raised among all Indian universities and colleges. Informal meetings will be held with foreign students in India to gain more inputs. Study India Programmes prepared by a consortium of Indian universities will be promoted in developed countries.

5.1.3 AICTE and its Role in Shaping Policy of International Education

The All India Council for Technical Education (AICTE) initially set up as an Advisory Committee in 1945 reinforced by 1987 AICTE Act is empowered to take all such steps as it may think fit for ensuring proper planning, coordinated and integrated development, planned quantitative growth in technical education as also regulations and maintenance of norms and standards for matters connected therewith. Various programmes of AICTE are carried out through Bureaus, Boards and Regional Committees. The Council

made regulations with the following broad objectives for regulating entry and operation of Foreign Universities / institutions imparting technical education in India.

Objectives:

- To facilitate collaboration and partnerships between Indian and foreign universities/institutions in the field of technical education, research and training;
- To systematize the operation of Foreign Universities/Institutions already providing training and other educational services including that of coaching of students, in India leading to award of *degree and diploma* in technical education, either on their own or in collaboration with an Indian educational institution or with a private educational service provider, under any mode of delivery system such as conventional/ formal, non-formal and distance mode;
- To safeguard the interest of student's community in India and ensure uniform maintenance of Norms and Standards of AICTE;
- To enforce accountability for all such educational activities by foreign universities / institutions in India;
- To safeguard against entry of non-accredited universities / institutions in the country of origin to impart technical education in India;
- To safeguard the nation's interest and take punitive measures, wherever necessary, against the erring institutions, on case-to-case basis.

Chapter 6

Conclusions and Recommendations

6.0 Opportunities and Threats for Foreign Education

The foreign institutions have increased their acceptability. These institutions developed new course design and also adopted innovative teaching methods. The foreign education providers have also flexible and job orientated education system. Foreign institutions increased the opportunities for the education of new emerging middle class. The question of quality education and the marginalisation of socially and economically backward students from these institutions became an important concern for the government. For the sustainability of this kind of program foreign institutions have to address above two issues. Besides there are some more issues that need to be addressed.

6.1 Issue of Recognition and Accreditation of the Institutions

The last decade showed a gradual movement of Indian institutions abroad. The Indian institutions are facing a lot of challenges with the regulatory authority. Most of the countries are allowing foreign education providers but with strict regulation.

On the other hand the 90s witnessed an influx of foreign institutions in India. The growth of these institutions happened without any proper regulation. With the time government have taken certain initiatives. However, it has failed to check the irregular growth of these institutions. There is need to establish a regulatory authority to monitor the development of these institutions and institute a process of recognition and accreditation.

6.2 Issue of Coordination among Different Institutions

High level of coordination is sought amongst national level organizations towards achieving national goals of education. (UGC, DEC, MHRD, AICTE, DST, MCI, Finance Ministry etc.) As an example, UGC and AICTE must co-ordinate in framing regulations. If AICTE frames the regulation allowing foreign institution/university on certain conditions, UGC should also move together as the right to grant a degree rests with the university, which should be recognized by UGC only. Similarly if UGC grants a deemed university status to any institution thereby permitting the authority to grant a

degree then MCI or DCI should also recognize the degree. It requires a process of prior consultation or removing of legal distortion that causes overlap of authorities. Co-ordination between state government and the central government and the regularity authorities is also important in matters of education policy. Recent example is Chattisgarh legislation on private universities and UGC's subsequent notification on putting scanner on the private universities. Hence it is necessary that state government should create any legislation only after proper consultation with the Central government and other regulatory authorities.

6.3 *FDI in Education*

The changing dimension of higher education added new foreign education providers. At the time of rules formulation for foreign direct investment in the education sector government should consider a larger goal of welfare state. FDI in the education sector can come to the country with certain regulation. The investment by foreign institutions in education sector implies that they will look for return on investment. If that be so, then we must articulate the policy in this regard so that the educational institutions can cover the country's larger development goal.

6.4 *Implications of Inflow of Foreign Institutions in India*

- Possibility of Stopping Outflow of Students
- Study programmes will be cheaper in relation to foreign degrees earned abroad.
- Diversification of study programmes. Of course this diversification is a very limited one.
- Process of integration of an international dimension into the teaching/service/research functions, competitiveness will be promoted and it has its implications on the foreign exchange as well.

6.5 *Implications of Outflow of Indian Students*:

- Brain drain.
- Outflow of foreign exchange.
- Processes of integration into global order will increase.
- Helps in establishing recognition of Indian education globally.

6.6 *Implications of Outflow of Indian Institutions Abroad*

- Establish Indian education globally
- Helps Indian Diaspora to educate their children at the place of their residence
- Attract more foreign student

6.7 *Recommendations at the Institutional Level*

- Indian institutions to restructure their programs according to international pattern e.g. program durations, credit-based system, credit transfer facility, flexibility in choice of electives etc.
- Management of education systems to be modernized.
- Physical infrastructure for teaching and campus living to be drastically improved.
- Consortium with other university and institutes may be formed in conducting joint programs and also to set up centers outside the country.
- Universities must forge collaboration with industries, research organizations and NGOs for running educational and training programs.
- Universities must have continuous faculty development programs so as to meet changing international requirements and standards.
- International cell within the institution must be established.
- Nodal Institutions to extend support for internationalization in other institutions - A Networking Approach.

6.8 *Need for Policy for Attracting Foreign Students to India*

- Student Friendly Policies.
- Single window clearance for Visa, PIO card, NOC, police registration.
- Work permit for foreign student in the field of Education, to work in India for two years, to gain relevant work/professional experience.

- Selected scholarships for meritorious students of different countries
- Marketing of Indian education abroad.

6.9 Promotional Policy for Attracting Foreign Students in Indian Institutions

- Remove confusion on different foreign student quota guidelines, for example, UGC says supernumerary 15% allowed, while MCI is not permitting it.
- Autonomy to fix market based fee transparently. Fees can be fixed significantly lower than overseas, but higher than Indian student fees to subsidize Indian Students.
- Accredit course to International standard in all aspects (curriculum, evaluation, etc.). If international and national accreditation board accredits the programs, free it from various local accreditation requirements.
- Give flexibility to start market driven novel, new, job/career oriented courses.

6.10 Facilitate to make Indian institutions Globally Competitive

Facilitate Indian Institutions to create international quality infrastructure (Campus, academic, labs, etc.) at globally competitive cost by extending duty free imports and creating concepts like Export Oriented Unit (for operating campus for International students), Special Economic Zone for education campuses with large International student body (say >1000 students).

6.11 Establishing Overseas Campus of Indian Educational Institutions

- Negotiate in WTO freedom to Indian Institutions to set up universities in leading markets.
- Freedom to offer degrees under market friendly nomenclature.
- Freedom to structure overseas education body as society, trust or company as may be appropriate to that country.
- Recognition of degrees by National Accreditation bodies on reciprocal basis.

- Countries, which India should target, are Middle East countries, south East Asian Countries and other developing countries.
- India government should fix up a target for each year to promote Indian institutions abroad. Like software exports, India can be a major provider of the academic contents in the world.

6.12 Setting up of Indian Campus by Overseas Universities

- Emphasize international accreditation and global relevance and allow flexibility.
- Invite Intellectual contribution leading to global quality of courses, rather than brick and mortar.
- Flexibility to recognize degree as well as nomenclature- on reciprocal basis.
- If overseas university wants to invest in infrastructure, lab, library, equipment for providing quality education, it may be encouraged.

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शहीद शंकर गुहा नियोगी पुस्तकालय एवं सांस्कृतिक केंद्र, भोपाल

पुस्तक देय तारीख

शहीद शंकर गुहा नियोगी
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1. देय तारीख तक किताब न लौटाने पर नियमानुसार विलंब शुल्क देना होगा।
2. यदि किसी और को जरूरत न हो तो किताब दोबारा जारी की जा सकती है।
3. किताब पर कोई भी निशान लगाना या कुछ भी लिखना सख्त मना है। इस पर **दंड** का प्रावधान है।
4. किताब को गंदा करने, फाड़ने, खोने या देय तारीख के 30 दिन के अंदर न लौटाने पर उसकी जगह वही नई किताब या दुगुनी कीमत देनी होगी।

कृपया किताबों को साफ़–सुथरा रखने में मदद करें।

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National Seminar on

379.1.1

Privatization
and
Commercialization
of
HIGHER EDUCATION

REPORT

NATIONAL INSTITUTE OF EDUCATIONAL
PLANNING AND ADMINISTRATION
17-B, Sri Aurobindo Marg, New Delhi 110016

379.1.1

NATIONAL SEMINAR ON

Privatization and Commercialization of Higher Education

May 2, 2006

REPORT

Edited by
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Sudhanshu Bhushan

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FOREWORD

Privatization in higher education appears to have undergone a sea change during the last few years. In good old days a large number of institutions were established by philanthropists with the objective of promoting people's welfare. Institutions set up by such private individual agencies made a remarkable contribution in the growth and development of education and in turn the nation. Somehow, this enthusiasm for community service has dwindled over the years.

Notwithstanding the fact that there has been a great demand for higher education, the expenditure on higher education as a percentage of the total GDP for education has remained by and large static for almost two decades. Consequently, there has not been either quantitative or qualitative expansion of public institutions in the country. However, the increased demand for higher education coupled with limited support from the state gave rise to the movement for privatization of higher education in the country. But, unlike in the past, some of the private investors look upon this opportunity as a profit making enterprise. This has eventually disturbed the public-private partnership in higher education in the recent past. Concern on issues relating to commercial practices being adopted by various private institutions has been growing day by day.

It is against this background that we at NIEPA decided to organize a one-day national seminar on Privatization & Commercialization of Higher Education. The purpose of the seminar was to discuss issues pertaining to privatization & commercialization of higher education in its entirety vis-à-vis the role of various stakeholders, including the Centre and the States as also the regulatory authorities. The present report is the outcome of the deliberations at the seminar. In dealing with such a subject, it was but natural to get a wide diversity of opinions. However, the recommendations are based on the broad consensus that emerged during the seminar.

I would like to take this opportunity to express my sincere thanks and gratitude to Shri Sudeep Banerjee, Education Secretary, Department of Secondary & Higher Education,

Ministry of HRD, Government of India, for his unstinted support and guidance in carrying out this whole exercise.

The invaluable support extended by Prof. Amrik Singh, Prof. Tapas Majumdar, Prof. M. Anandakrishnan, Prof. A.K. Sharma, Prof. G.K. Chadha, Prof. Jayati Ghosh, Prof. P.M. Bhargava, Justice R. Sachar, Shri Saiyid Hamid, Shri P.R. Dasgupta is gratefully acknowledged and I thank all of them for their useful and practicable inputs.

I would like to express my special appreciation for my colleague Prof. Sudhanshu Bhushan for his valuable contribution in bringing out this report. I am also thankful to Dr. (Mrs.) Neeru Snehi and Dr. (Mrs.) Kausar Wizarat for their significant inputs.

I trust that the recommendations of the seminar will provide meaningful inputs for policy interventions in dealing with the issue of privatization of higher education in the country.

June, 2006

Ved Prakash

PREFACE

A National Seminar on Privatization and Commercialization of Higher Education was organized by NIEPA on May 2, 2006. The backdrop of the seminar was the concern among the policy makers about the issue of commercialization in higher education. The concern ranges from access and equity considerations to a host of issues including relevance, quality, exclusion, corporatization – all that lead to shifts in the directions of higher education. The dominance of the market has lately begun to dictate terms in higher education, as a result of continued fall in public spending on higher education. Policy makers have also been worried on the rising court interventions and judicial pronouncements in the absence of any effective legislation. Having regard to that, it was realized that there is a need to elicit the views of senior policy makers, academicians, experts and private providers on this pertinent issue of privatization and commercialization of higher education.

A clear methodology was set out at the planning stage of the seminar. A brief note was prepared and issues and concerns were circulated to all the participants in advance. A few of them were also requested to write the papers and present the issues involved in a comprehensive manner. Thus, four papers were received. These papers have been reproduced at the end of the report. To prompt cogent and full views, the discussion was organized in two parallel sessions after the plenary presentation of papers.

The executive summary of the recommendations appears at the beginning of the report, whereas the detailed recommendations are given in the main body of the report. The predominant view was in favour of both strengthening public institutions and increasing allocations for higher and technical education in the 11th plan. The second view was that education at all levels need higher allocations. Philanthropy mode of support to higher education should be encouraged and innovative ways may be devised to attract private investment in higher education. Finally, commercialization in howsoever a disguised form it may be, was opposed in no uncertain terms for which effective legislation was suggested under the provisions of Article 19(6) of the Constitution of India.

The report of the seminar was further discussed by a group of eminent experts on 23rd of May 2006. The suggestions were incorporated and the report was finalized for submission to the Ministry of Human Resource Development, Government of India. I trust that the report would prove to be of value to the policy makers and educational managers.

I would like to place on record my heartfelt thanks to the Director, NIEPA on behalf of the unit for extending continued support, guidance and encouragement. I would also like to thank my colleagues, Neeru Snehi, Kausar Wizarat and Vijay Vrat Arya in the Higher Education Unit and the faculty members from NIEPA for their academic support. Technical staff and members of Publication Unit provided support in their respective areas of work. I am also thankful to them.

June, 2006

Sudhanshu Bhushan

EXECUTIVE SUMMARY

Recommendations

The executive summary of the recommendations of the National Seminar on Privatization and Commercialization of Higher Education held on May 2, 2006, arising out of the background paper and the deliberations during the seminar is presented below:

1. The objectives of higher education and basic research for any society, particularly one striving to grow into a knowledge society, are not only to address the knowledge needs of the present time, but also to project the knowledge needs of the future, as far as possible. In fact, a knowledge society needs creative minds in the sciences and the humanities that are not confined within narrow boundaries set by either the current market trends in the private sector or by the policy commitments in the government sector, binding though they may be in the short run. It is the responsibility of the state to try to determine the futuristic vision with the help of identified groups of knowledge workers, and to influence the course of development in pursuit of that vision with appropriate funding.

2. The state is primarily responsible for ensuring quality education at all levels and in all regions. This would entail qualitative strengthening of public institutions as also their quantitative expansion. It is evidently the obligation of the state to find ways and means of raising public resources for higher education as per the recommendations of (a) the CABE Committee Report on Financing of Higher & Technical Education, and (b) the Tapas Majumdar Committee Report on National Common Minimum Programme's Commitment of 6% GDP to Education.

3. The philanthropic tradition in Indian higher education has always been active and institutions sponsored by it, therefore, should be promoted. An incentive system in terms of tax concessions, land grants and transparent rules should be laid down so as to attract private participation in higher education. Industry

may be encouraged to provide research grants relevant to appropriate technological changes. Educational funds for various specific purposes may be floated for seeking contributions from likely private sources and the management of funds should be entrusted in the hands of academic/ professional bodies. Some of the private higher education institutions with a proven track record of excellence should be identified and promoted.

4. During recent years, private initiative in higher education had become almost unavoidable. At the same time, there was increasing pressure in favour of expansion. Since the courts permitted the institutions to charge students full cost in certain cases, a large number of new institutions came to be opened. This in turn created a fresh set of problems and all of them have not been taken care of yet. This much is clear by now that the private sector of education has come into existence alongside the government sector. One of the problems that need to be taken care of is how the two should co-exist. Secondly, there is the problem of commercialization.

5. Commercialization is manifestating itself in a variety of forms, such as the full recovery of the cost of higher education in government and government aided institutions; high fees in self-financing private professional colleges, deemed and private universities; high fees charged in unrecognized private institutions offering foreign degrees in collaboration with foreign universities etc. Commercialization, therefore, needs to be unambiguously defined with a view to containing it.

6. Commercialization of higher education can have adverse implications, both in terms of access and equity. It may even create internal imbalances and distortions in higher education, such as excessive importance to the IT - related sector at the cost of the Social Sciences and the Humanities. Commodification of education, research and knowledge will not serve the long range interests of the nation. It could lead to truncated growth and lop-sided development of higher education. The applied aspects may acquire importance at the cost of other

dimensions, thus neglecting vast pools of traditional knowledge acquired over the centuries. Therefore, commercialization needs to be controlled.

7. A system to regulate commercialization should be put in place by the central and state governments in coordination with each other. If the central government so desires, it may lay down constitutional provisions to regulate commercialization. A suitable framework in respect of specific issues can be imposed by legislation, if necessary, and its implementation ensured through various regulatory bodies.

8. Foreign universities are promoting the process of privatization and fuelling commercialization. Issues like regulation by the various professional bodies to control fees, fine tune quality and suitable legislation for the entry of foreign universities would have to be immediately attended to.

9. Private non-government institutions may be permitted to generate a fair surplus without indulging in unfair practices and the surplus so generated should be ploughed back for the upgradation of the institution. These institutions should be made to submit a copy of their quarterly accounts to their respective states for audit.

10. Distance education is yet another area where potential of commercialization is quite high because of diverse nature of suppliers offering variegated programmes with little control by the regulatory bodies. Today, the quality of distance education is both unsatisfactory and uneven. This is largely because it is not clear who controls what. Both the UGC and the IGNOU operate in different ways and sometimes at cross purposes with each other. The role of foreign universities also contributes to this phenomenon. It is a matter of urgency, therefore, that this confusion is removed and responsibilities are allocated in a rational and constructive manner.

11. There is an urgent need to evolve a proper coordination mechanism amongst the various regulatory bodies in order to determine issues such as fees, admission procedures, the quality of education, future directions, etc.

12. Periodic accreditation of all institutions of higher learning should be made mandatory for the purpose of ensuring quality. It is a matter of utmost urgency that every new institution gets accredited not later than one year of it being started. In case the relevant professional agencies are unable to meet this demand, these bodies may either be strengthened or some partner agencies with established credibility be identified and entrusted with the responsibility of carrying out accreditation.

13. Whenever an institution is found in default of the norms laid down by the relevant controlling authority, the latter shall have the right to impose a financial penalty for each default. This should apply to all institutions, including those controlled by the government. The amount chargeable should be laid down in advance at the time of laying down the norms. If an institution commits the default more than twice, the institution should be debarred from running the courses, as the case might be.

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REPORT

PRIVATIZATION AND COMMERCIALIZATION OF HIGHER EDUCATION

1. Historical Perspective

1.1 There seems to be a remarkable unanimity on the purpose of education as one of 'providing an individual with the widest opportunities to develop his or her potentialities to the full'[1]. Concerted efforts have been made since political independence to provide educational opportunity to develop potentialities to the full to all individuals without any discrimination by the state 'on grounds of religion, race, caste, sex or place of birth'.

1.2 The objectives of higher education and basic research for any society, particularly one striving to grow into a knowledge society, are not only to address the knowledge needs of the present time, but also to project the knowledge needs of the future, as far as possible. In fact, a knowledge society needs creative minds in the sciences and the humanities that are not confined within narrow boundaries set by either the current market trends in the private sector or the policy commitments in the government sector, binding though they may be in the short run. Higher education, particularly education for the best talents of the country, only evolves almost autonomously in the best institutions by genuinely creative workers whether they are teachers or students.

It is the responsibility of the state to try to determine the futuristic vision with the help of identified groups of knowledge workers, and influence the course of development in pursuit of that vision, with appropriate funding whether from public, private or international sources.

1.3 Though the beginning of modern education during colonial period may be traced to the initiatives taken by the colonial government, private philanthrophy

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[1] See Kothari Commission Report (1966, p.4) and the Quotation from Karl Marx in Radhakrishnan Commission Report (Vol.1, 1983{1949} pp. 23-4) where the author of the report notes the agreement on purpose of education with Gandhi.

gradually emerged as the most important tradition to promote Indian higher education institutions. There are several instances of the initiatives taken by individuals to establish colleges and universities. Such private initiatives were guided by social ideals. Later these institutions were supported by the government. However, such a valuable tradition could not be sustained and developed on a sufficient scale to meet the growing demands of the economy.

1.4 Along side the private philanthropic tradition, the central government also took over direct responsibility of establishing universities and colleges, thanks to the first wave of institution building in the 1950s and 1960s. Institutes like Indian Institutes of Technology, All India Institute of Medical Sciences, Indian Statistical Institute etc. were established by Acts of Parliament. These institutions are now lead examples of excellence. These initiatives taken by the government undoubtedly provided a wider participation of different sections of the society.

1.5 Education being a state subject before the 42nd Constitutional Amendment, 1976, the major responsibility of establishing institutions was that of the state government. The phenomenal expansion of educational institutions in different states was again the result of private initiatives to establish colleges. Later state governments also established many colleges and universities besides also committing financial support to colleges which were run under private managements. However, during the last couple of decades, a large number of self-financing colleges under private management have emerged to cope with the rising demand of the society. The three categories of institutions thus evolved are:

(i) Government colleges – management and finances under the control of government.
(ii) Privately managed but government aided colleges.
(iii) Privately managed and self-financed colleges.

1.6 Social motives were the ideals behind establishing institutions by private individuals. In response to the rising demand, government had a dominant role in financing both - their own institutions and those under private managements. The expansion of professional colleges under self-financing mode has been a

recent phenomenon. In terms of governance, however, the system of recognition and control was exercised by the universities. University system consisted of postgraduate departments and a large number of affiliating institutions, which predominated in the functioning of universities. Universities were largely the examining bodies for the affiliating institutions with little regard to governance and maintenance of quality.

2. Growth and Development of Higher Education in India

2.1 There has been phenomenal growth in the number of colleges from 750 in 1950-51 to 16,885 in the year 2003-04. The total enrolment in the colleges and universities increased from 2.6 lakhs in 1950-51 to 99.5 lakhs in the year 2003-04. The number of teachers increased from 24,000 to 4.56 lakhs during the same period (see Table 1). The Gross Enrollment Ratio in higher education respectively stands at 8.9 per cent and 9.21 per cent, including polytechnics[2]. There is thus a great challenge that lies ahead on account of increasing necessary access in order to participate in the development process of knowledge economy. A debate on privatization and commercialization of higher education should address the issue of increasing access.

2.2 At present about 17 per cent of students in higher education are enrolled in technical and professional courses. Enrolment in science is at present 20 per cent. Professional courses and science enrolment put together needs to be raised from the present rate of 37 per cent to 50 per cent for a critical mass to participate in knowledge economy. (see Table 2). Further it may be observed that 89 per cent of total enrolment in higher education is at undergraduate level, 9 per cent at post-graduate level and a little less than 1 per cent in research. What is important is just not a critical level of total enrolment and a critical level of scientific manpower, but access to higher education with an increased GER is, indeed, a great challenge. It hardly needs any mention that increase in student population at secondary stage, as a consequence of SSA, coupled with reduced dropout rate, is going to create a social demand for

[2] As per the Selected Educational Statistics 2003-04

increased access to higher education at the level of 20 per cent. Besides, the need is also to maintain an appropriate balance between basic sciences, humanities and social sciences, and applied disciplines, such as Engineering and Medicine. It shows that university system has a large responsibility to manage under-graduate students. Affiliated colleges of any kind where students are enrolled at the under-graduate level, therefore, places a heavy burden on the university system from the point of view of improving teaching & learning. (see Table 3). However, raising the proportions and number of high quality postgraduates and researchers also remains a critical issue.

2.3 An important aspect of development of higher education has been the widening concept of inclusion of all categories of people, including of women, scheduled castes, scheduled tribes, minorities as well physically challenged. The enrollment of women in total has seen consistent upward trend from 10 per cent in 1950-51 to 40 per cent in 2003-04. (see Table 4). However, enrolment of women as a percentage to total across various disciplines is highly uneven and is a matter of great concern. In Arts, it is as high as 51 per cent, and in Education, Engineering and Medicine, it is 1.90 per cent, 4.13 per cent and 3.63 per cent respectively. If we look at the status of enrolment of SC and ST students, the same observation holds true. Though SC and ST participation is rising over the years, it is uneven across various disciplines. At present, GER for SC and ST students is little less than 6 per cent. Their participation in technical and professional disciplines is pretty low. Commercialization of higher education tends to accentuate such imbalances as it is bound to effect the participation of vulnerable sections of society.

2.4 Another issue that deserves discussion relates to regional imbalances both in terms of number of institutions as well as number of enrolments. There is already a regional imbalance. There are states like Andhra Pradesh, Tamil Nadu,

Kerala, Karnataka and Maharashtra[3], wherein the number of private professional colleges is quite high (Table 5 and Table 6).

3. Investment in Education

3.1 If we look at the current levels of public spending, it is observed that in 2004-05, the centre contributed only 20 per cent of the total government expenditure on education. The bulk of expenditure on education has been contributed by respective state governments, howsoever constrained they are to mobilize the resources. Another interesting feature is that the bulk of expenditure is on revenue account only and capital expenditure is a negligible proportion of the total educational expenditure (see Table 7).

3.2 If we look at the share of government expenditure on education as a share of GDP, we observe a rising trend till 2000-01, from 0.67 per cent in 1951-52 to 4.40 per cent in 2000-01. However, there has been a consistent decline in the share of government expenditure in education as a proportion of GDP to a level of 3.54 per cent in 2004-05 (see Table 8).

3.3 The revenue expenditure of education department in 2004-05 (centre & states) shows that elementary education constitutes 50 per cent of the total share in education. Secondary education, university and higher education and technical education constitute 31 per cent, 12 per cent and 4 per cent respectively of the total expenditure on education. (see Table 9). The trend of public expenditure on higher education per student in 1993-94 prices shows a continuous decline (see Table 10).

3.4 It is evident from the above that state financing of higher education has suffered a relative decline. As the demand for higher education is continually rising, an investment gap is being created. The growth of self financing institutions is a natural consequence of government failure to meet the gap. It is now worth looking at the projected resource requirement to make an estimate of the investment gap.

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[3] Five states mentioned above alone have two-thirds of total engineering and medical colleges, and over 50% of management and teacher education institutions in India. The reason for this regional imbalance is the concentration of private institutions in these states.

4. Projected Resource Requirements

4.1 There are various parameters to consider the projected resource requirements for higher education. As said above, there is a need to increase access to meet the growing demands for higher education. According to a note on 11th plan circulated by the Planning Commission, the estimated enrolment needs to be raised from 12.5 million in 2007-8 to 18.7 million 2011-12 in order to raise the enrolment from 10% to a target level of 15%. To provide equal educational opportunity to all, the enrolment of women, SC and ST needs to be raised, more so in technical and professional disciplines. Distortions due to regional imbalance too, need to be corrected. The projected resource requirement needs to consider the demand for financing higher education on above accounts. There is also a huge quality gap both across institutions in India and also between average institutions of India and that of average institutions of developed countries[4]. The projected resource requirement must also take into account the huge quality gap to develop excellence in higher education by bridging the high-end knowledge gap.

4.2 According to various studies[5], the resource requirements for education as a whole ought to be to the level of 6 per cent of GDP. However, as a thumb rule, the Majumdar Committee report observes, "It is important to note that six per cent of national income is the minimum level that is required now for public expenditure in the education sector in India, and that the actual requirements would have to be eventually seen as substantially larger in the future." (2005) The Committee projected three alternative scenarios to reach the norm of 6% of GDP to education. On the assumption of 7% of growth of GDP, three scenarios were worked out in the report[6].

4.3 Based on three alternative scenarios, the allocation of resources was made on the assumption of 3%, 1.5%, 1% and 0.5% of GDP for elementary, secondary, higher and technical education respectively. As per the scenario A referred to

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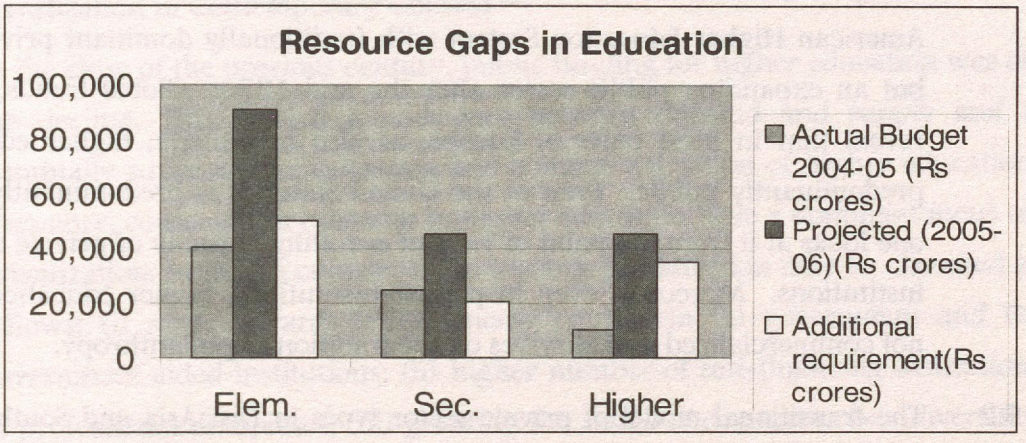
[4] See Majumdar Committee Report (2005)
[5] op. cit. pp 6-7.
[6] op.cit. pp. 8-9

above, the resource gap works out at Rs.50,516 crores, at the elementary level, at Rs 20,562 crores at the secondary level and Rs. 35,169 crores at the higher education level including both general and technical education. (See Fig. 1 below).

Fig. 1



The total budgetary allocation needs to be raised from Rs. 9,562 crore in 2004-05 to Rs. 30,064 crore in 2005-06 for general higher education and from Rs. 820 crore in 2004-05 to Rs.15,488 crore in 2005-06 for technical education. Similarly, for scenario B and scenario C, estimates and expenditure path for higher and technical education are given in the report.

4.4 Required financial allocation as per the 6 per cent of GDP reveals a huge financial gap for education as a whole in general and for higher education in particular. State has thus a large obligation to bridge the financial gap. Historically, it has been observed that financial gap to be bridged by the state has continued to exist. In recent decades the demand for higher education has continued to grow. As a result, a part of this gap is being filled up by the private service providers. If this gap continues to grow due to excess demand pressure, there will be greater degree of privatization. The character of private initiative, however, seems to be changing, as the recent evidence in terms of fees and pattern of course structure suggests. Consequently, the present debate on privatization and commercialization should examine the character and the form in which it takes place at the global level and in Indian context.

5 Global Scenario

5.1 Although it is difficult to classify the private higher education at the global level, Roger Geiger has offered three categories based on the relationship with public sector, first, the massive private sector (as in Japan), second the parallel private sector (Belgium, Netherlands), third, the peripheral private sector (France and many socialist countries) (Geiger, 1987). Geiger offers a fourth category of American Higher Education System with traditionally dominant private sector, but an expanding public sector after the mid-1970s. Global trends, however, reveal that in most parts of Europe, as also in Canada, higher education is predominantly public. Even in the United States, it is predominantly public if one looks at it from the point of view of enrolling capacity of private and public institutions. Moreover, even in private institutions, higher education in US is not commercialized as it survives on the tradition of philanthropy.

5.2 The transitional model of private sector types in East Asia and South East Asia are considered by Toru Umakoshi (2004) in terms of private peripheral type (China, Vietnam & Malaysia), private complementary type (Indonesia, Thailand) and private dominant type (Japan, South Korea and the Philippines). In some of these countries, transition towards private higher education is also associated with high GER. Though each country has its own historical specificity, differential roles of state could be seen in financing and maintaining standards of higher education. The diversity of higher education system defies any single conclusion. Nonetheless, privatization appears to be strongly regulated by the government.

5.3 Recent trends have also been influenced by the internationalization of higher education. The mobility of students and teachers has increased across borders. The possibility of GATS agreement has begun to influence the character of higher education in favour of privatization and commercialization. This has posed a threat to the public character of higher education. According to a study conducted by NIEPA (2005), the foreign universities are actively engaged in offering programmes in collaboration with many private institutions in India. Although there is a policy of 100% foreign direct investment in education

through automatic route, there is no estimate of foreign investment in education. Besides, there is no legislation so far for the entry of foreign universities in India, although the regulation by AICTE exists. Thus higher education has suffered from hidden commercialization through cross border education.

6 Privatization in Contemporary Context

6.1 At the close of the previous century, public funding for higher education was on the decline. This created a wide gap between demand and supply and it eventually supported privatization and commercialization of higher education. Therefore, contemporary debates in higher education have a dominant focus on privatization. In Indian context, trend towards privatization may be classified as follows: (i) move towards self financing courses in (a) government and (b) government aided institutions; (ii) higher number of self-financing institutions in professional disciplines; (iii) granting the status of deemed to be universities to a large number of private institutions; (iv) establishing private universities through state legislation; and (v) mushrooming of private providers of higher education not recognized (affiliated) with the university system, but awarding diplomas and certificates in collaboration with foreign universities.

6.2 Analytically, categories (ii), (iii), and (iv) have been dominated by private investors both in terms of management and finance. They can be clearly distinguished from category [i(a)] wherein institutions are fully maintained by the government. Similarly, they are also different from [i(b)] wherein institutions are governed by private managements even though they receive larger portion of assistance from the government. Category (v) is a newly emerging class which is fully guided by profit motive. However, all the categories, except the last one (v), are within the purview of UGC and respective professional councils insofar as maintenance of standards is concerned. For all the categories of institutions, whether public or private, state undoubtedly plays a major role in increasing access, promoting equity and enhancing quality.

6.3 Private participation in higher education merits attention for its enormous growth, particularly in professional disciplines. Some institutions are committed to educational excellence as well. However, there is a concern that arises on account of ambivalence emanating from commercial practices under the guise of "charitable" institutions.

7 Commercialization

7.1 Commercialization of education refers to the process of private ownership and management of educational institutions whereby investments are made with the motive of earning profit. Historically, education emerged out of the social needs and even though it was privately managed and financed, profit had never been the motive for financing education. It had always been guided by social concerns. Later, the government took over the major responsibility of financing and managing education on the premise that growth of education leads to a large-scale externalities or economic benefits to the society.

7.2 Contradictions emerged when the theoretical position of education as a public good could not be sustained empirically due to the state's inability to meet the excess demand for higher education. Private investment in education also acquired importance due to the increasing gap between demand and supply. Private returns on education guided the market demand for higher education. No wonder, philanthropy then acquired a back seat.

7.3 The recent privatization in education cannot be seen in isolation. The process of privatization and liberalization of the economy and the forces generated by globalization induced investment in education by a host of players who in most cases were guided by the motive of making profit. Interestingly, the interested private investors in higher education happened to be mostly individuals and families and, sometime corporate enterprises as well. These persons and families came from diverse backgrounds. They are educationists as well as non-educationists. The former category consisted of educational trusts, missionaries, charitable institutions as well as individual scholars. Non-Resident Indians have also begun to show keen interest in education. Quite often it has been noticed

that diverse suppliers of education have invested in a chain of educational enterprises.

7.4 An important question with respect to commercial practices is whether private educational institutions are meeting the high cost of providing education or they are engaged in profiteering. Even earning a surplus income is not considered as profiteering in so far as it is reinvested to upgrade quality or to meet the increasing access to education. Commercialization of education is thus said to occur when (i) surplus over and above the cost is generated and (ii) even if the surplus arises it is purely appropriated as the investor's income and is not re-invested in education[7].

7.5 This is a liberal definition and it makes it empirically difficult to define commercialization. This means commercialization will quite often continue to be covert rather than overt in the present form of privatization. Though the definition may remain a little unclear, the principle may be defined. In terms of the principle, any unfair practice that leads to generation of surplus must qualify the term commercialization. Besides, if a reasonable surplus, not more than 5-10% on capital investment, is generated it must be invested in the same institution with a view to upgrading the quality of education.

7.6 It is the recent trend of privatization where the motive of investment has changed from philanthropy to profit seeking. It has created lots of concern, as it goes against the tradition and the wishes of the Constitution of India. However, limited public spending has caused another problem of shortfall leading to creating a wide gap between demand and supply. It has eventually created space for private spending in higher education. Private spending, as it is, has to recover the cost of education. In such circumstances there may arise a tendency to recover more than the cost. This has led to a number of controversies and court interventions in the recent past.

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[7] This is how commercialization is defined in TMA Pai Judgement.

8. Supreme Court Judgements

8.1 Expansion of higher education in the last couple of years has witnessed a dominant role of private investors. The basis of expansion was 'capitation fees' which was challenged in case of Miss Mohini Jain vs State of Karnataka and others (1992). The judgement ruled against capitation fees on the ground that denial of educational opportunities also meant denial of fundamental rights in more than one way. It was held that the state was duty bound to provide education and that the private institutions that discharged the state's duties were equally bound not to change a higher fee than the government's institutions. JP Unnikrishnan and others vs State of Andhra Pradesh and others (1993), the ruling further upheld that 'Commercialisation of education was not permissible and it was opposed to public policy and Indian tradition and the charging of capitation fee was illegal'. It determined a framework of the control of admission and fees for self-financing institutions which Government of India and other regulatory councils followed. Later, in the case of TMA Pai Foundation and others vs. State of Karnataka and others (2002) the court noted that the control framework adversely affected the autonomy of private institutions and prohibited the growth of private institutions in cost intensive vocational and technical areas. It thus permitted autonomy to institutions in fixing fees subject to some scheme of accountability. It opposed 'profiteering' but permitted a 'reasonable revenue surplus ... for the purpose of development of education and expansion of the institution'. The Islamic Academy of Education & others vs. State of Karnataka and others (2003) clarified the meaning of autonomy of admission and fees, delivered in the Pai judgement. The wave of rising fees leading to de-facto commercialization and right to education as fundamental right providing scope for equality of educational opportunities, therefore, came into conflict with each other. The question is how to resolve the dilemma arising from autonomy and commercialization?

8.2 Issue of social accountability assumed importance in the form of equality of educational opportunity which may be eroded by de facto commercialization. The phase of expansion with a dominant role of public investment in higher

education ensured protection to special focus groups. This seems to be threatened by privatization and recent de-facto commercialization. The issue is also controversial in view of the Supreme Court judgement (12.8.2005) that reservation cannot be imposed on self-financing institutions on the ground of 'encroachment on the right of autonomy of self-financing institutions'. Subsequently, 93rd Constitutional Amendment (20.1.2006) asserted that, except in minority institutions, self-financing institutions are obliged to follow the reservation policy. Hence, the point is whether autonomy comes in conflict with the policy of affirmative action of the state and, if so, how can this conflict be resolved?

9. Constitutional Provisions

9.1 According to Article 19(1) (g) of the Constitution "All citizens shall have the right to practice any profession, or carry on any occupation, trade or business." Further, the Constitution vide Article 19 (6) provides that 'Nothing in sub-clause (g).....prevents the state from making any law imposing, in the interests of the general public, reasonable restrictions on the exercise of the right conferred by the said sub-clause...' Given this provision of the Constitution, there is a scope to legislate on reasonable restrictions on the autonomy of private institutions to make them fully accountable to the state. So far in the absence of such legislation, the honourable courts have tried to maintain the balance between autonomy and accountability by imposing certain restrictions in terms of state level committees to determine admission and fees and permitting monitoring of quality by the UGC/AICTE while at the same time allowing autonomy to raise resources. Thus Constitution provides a scope for a suitable law to be enacted by the Parliament to prevent commercialization in higher education.

10. Summary of Recommendations

10.1 The Role of the Government

a) By means of a planned intervention, governments at the centre as well as in the states should establish an adequate number of higher educational

institutions at the college and university levels. The process of privatization should not lead to a disproportionate growth of private educational institutions. The responsibility of the government to open adequate number of higher educational institutions should not be totally left to the private sector.

b) The dominant trend towards privatization lays emphasis on technical competence of an individual. Education should also provide opportunities for developing human sensitivities. Therefore, as a matter of policy, the shape and future of higher education should not be driven by market forces only.

c) The state should be primarily responsible for ensuring quality education at all levels and in all regions. This entails the strengthening of the existing public institutions. The best institutions that satisfy the stated criteria of an institution with potential for excellence should be provided with suitable incentives and promoted in every way.

d) It was recognized that sustainable long-term solutions to many problems that higher education faces today would not be possible without fundamental improvements at the school level. Therefore, the state should also step up investment on quantitative and qualitative expansion of education in respect of school education.

e) Knowledge belongs to the future, sometimes a distant one and, therefore, cannot be defined by short-term forces of demand and supply of the market. It is the responsibility of the state to determine the futuristic vision and direct the course of development with appropriate research funding through planned interventions. Private participation, wherever necessary, may also be encouraged in an appropriate manner.

10.2 The Regulatory System

a) To prevent commodification of higher education, transparent, precise and unambiguous policy guidelines for the private sector are essential.

b) The term "commercialization" should be unambiguously defined. A regulatory system should be put in place by the central and state governments so as to ban commercial practices. The central government may lay down constitutional provision for legislation in order to stop commercialization. A suitable framework encompassing all issues relating to reasonable restrictions needs to be evolved. One such issue is the regulation of fees and admission of students in self-financing private professional institutions, including deemed to be universities and private universities. While doing so, the views of all stakeholders should be taken into account and an expert body should be entrusted with the responsibility of drafting a suitable Bill.

c) All private non-government institutions should be obliged to submit a copy of their annual accounts and report to their respective controlling authorities for review. As a part of that exercise, each such institution shall submit a quarterly account to their respective states for audit. Besides, each institution may be subjected to special audit to ensure objectivity and transparency.

d) The establishment of private universities by state legislatures is a new phenomenon. There is a risk of diverse forms of governance being introduced besides the commercialization of these universities. Therefore, there is a need for a model code of governance of private universities which may be followed by each state government. In this regard, UGC can play a decisive role.

e) Foreign universities are promoting the process of privatization and fuelling commercialization. Entry of foreign universities should be regulated in such a way as to contain the forces of commercialization.

f) There should be sufficient empowering functions vested with the professional councils, such as UGC, AICTE, MCI, etc. to maintain quality and prevent commercialization. Therefore, various regulations governing their functions should be reviewed afresh and these bodies may be given more

teeth to improve quality and prevent commercialization. There should be a mechanism for greater co-ordination among professional councils.

g) In the public sector institutions, there is a need to check the unwarranted trends in the growth of self-financing courses. Respective universities should evolve a mechanism to determine reasonable fee structure so that students belonging to under-privileged sections of the society can be appropriately benefited. There is a need to review the trends closely by the UGC, in relation to the exorbitant fees charged by them and take appropriate steps in this regard.

10.3 Resource Mobilization for Higher Education

a) The trend towards privatization is partly the consequence of the deepening crisis of public higher education in terms of resources, infrastructure and research facilities. It is, therefore, an obligation of the government to find ways and means to raise public resources for higher education as per the recommendations of (a) the CABE Committee Report on Financing of Higher Education, and (b) the Tapas Majumdar Committee Report on NCMP's Commitment of 6% GDP to Education.

b) There has been a good time-honoured old tradition of private education being conducted by philanthropists, missionaries, and educationists in India. It needs to be revived by providing support, tax concessions and other desirable incentives. The government should evolve various educational schemes/funds to promote area-specific research including industry linkages, to be managed by professional and academic bodies. Private participation through donation, endowment, chairs, research grant etc. should be encouraged.

c) Industry which gets readymade workforce, may be required to contribute towards public resources for higher education.

d) Private investors in education may be encouraged. However, it must be made clear that this cannot be for profit-making purposes, in howsoever disguised form this may be done.

e) There are large externalities involved in the provision of higher education, and there is no country in the world where user fees are expected to fully meet the cost of providing such education. While there may be a case for periodic revision of students' fees, the controlling agency should not try to recover the full cost of education from the student as it will hit hard the marginalized sections of the society.

f) University foundations (societies/trusts) should be allowed to save/invest money for future use and build corpus funds through donations. Necessary amendments in relevant laws may be carried out to build corpus funding in educational institutions.

g) Whenever an institution is found in default of the norms laid down by the relevant authorities, the latter shall have the right to impose a penalty for each default. The amount chargeable should be settled in advance at the time of laying down the norms. If the default is committed by an institution more than twice, the institution should be debarred from running it.

10.4 Quality Assurance

a) Accreditation of institutions of higher learning should be carried out regularly and extensively. Past experience shows that NAAC and NBA have not been able to complete the accreditation of even one-third of the institutions that they were responsible for. There is a need to identify some partner agencies both at the national and state levels which could be entrusted with the responsibility of carrying out accreditation.

b) A university is known by the research achievements of its academics. Publications in top ranking journals will help build the reputation of the faculty and the university. Research and conference funding should therefore be substantially increased.

c) Faculty development programmes should be accorded top priority to bring about qualitative improvement in teaching and learning. This would justify as well as promote the system of rewards and incentives besides providing outstanding work facilities.

d) Generally, it is possible to attract good faculty at the starting level but not at the higher levels. This phenomenon needs to be investigated further and various incentives – not just pay packages (which would affect the ratio of the lowest to the highest salaries within the range) but other factors that inhibit mobility (such as problems of housing, schools for children, medical facilities) – should also be taken into account. Also non-monetary incentives, such as more frequent opportunities for sabbaticals, better facilities for research, more access to books, journals and research materials, should be encouraged.

e) Reasonable restrictions, particularly with respect to fees and norms for admission process, should not be construed as taking away the autonomy of private institutions. Quality parameters as defined by statutory bodies and professional councils need to be adhered to by one and all including the government and private institutions both in letter and spirit.

f) Many Indian students graduating from reputed public institutions in India go abroad leading to brain drain of high quality professionals. This means indirectly subsidizing educational institutions and economy of other countries. Efforts need to be made to retain these highly skilled professionals by way of providing research facilities and appropriate work environment.

g) In-service training has been a neglected field so far. In most professional colleges, not all teachers have done even their Masters' programme in a number of cases. This is a critical issue and needs to be attended to, both urgently and systematically.

10.5 Distance Education

The quality of distance education is both unsatisfactory and uneven in terms of quality. There are a number of reasons for it.

a) Who controls what is not clearly defined. Certain areas of work are controlled by IGNOU and others by the UGC. But it is not clear that there will be no intermixing between the two.

b) When it comes to the electronic mode, the sponsoring university/ institution does not always take full responsibility. In certain cases, the job is franchised to other suppliers. In this situation, it becomes difficult to fix the responsibility.

c) This happens in particular where the electronic mode is used.

d) Some of the foreign universities are also getting involved in these developments. As and when the distinctions are clearly drawn, the role of the foreign universities will also get defined.

e) Since expansion in the distance education mode is bound to expand in the next few years, it is a matter of some urgency that roles are clearly defined and the responsibilities are fixed.

Table 1

Number of Institutions of Higher Education, Enrolment and Faculty

Year	Number of Colleges	Number of Universities*	Students (In 000)	Teachers (In 000)
1950-51	750	30	2,63,000	24,000
1990-91	7,346	177	49,25,000	2,72,000
1996-97	9,703	214	67,55,000	3,21,000
1998-99	11,089	238	74,17,000	3,42,000
2003-04**	16,885	302	99,53,506	4,56,742

* Includes institutions that are deemed to be Universities, but excludes other institutions.

** Estimated

Source: UGC Annual Report 1996-97, 1998-99 & 2003-04; and Selected Educational Statistics, Ministry of HRD, Govt. of India

Table 2

Students Enrolment: Faculty Wise (2003-04)*

S. No	Faculty	Total Enrolment	Percentage to total
1.	Arts	44,90,723	45.12
2.	Science	20,35,059	20.44
3.	Commerce/Management	17,90,636	17.99
4.	Education	1,46,039	1.47
5.	Engineering/Technology	7,16,652	7.20
6.	Medicine	3,13,489	3.15
7.	Agriculture	58,700	0.59
8.	Veterinary Science	14,858	0.15
9.	Law	3,03,629	3.05
10.	Others	83,721	0.84
	Total	99,53,506	100.00

* Estimated.

Source: UGC Annual Report 2003-04

Table 3

Stage-Wise Enrolment* of Students: University Teaching Departments/University Colleges & Affiliated Colleges (2003-04)

S. No	Stage	Univ Depts./ Univ Colleges	Affiliated Colleges	Total (% to Grand Total)	Percentage in Affiliated Colleges
1.	Graduate	8,64,335	80,03,043	88,67,378 (89.09)	90.25
2.	Post-Graduate	3,15,503	5,98,229	9,13,732 (9.18)	65.47
3.	Research	58,321	7,170	65,491 (0.66)	10.95
4.	Diploma/ Certificate	58,761	48,144	1,06,905 (1.07)	45.03
	Grand Total	12,96,920	86,56,586	99,53,506 (100)	86.97

* Estimated.
Source: UGC Annual Report 2003-04.

Table 4

Women's Enrolment in Higher Education (numbers and %age)

Year	Women		Total
	Number	Percent	
1950-51	43,126	10.9	396,745
1960-61	170,455	16.2	1,049,864
1970-71	655,822	21.9	3,001,292
1980-81	748,525	27.2	2,752,437
1991-92	1,685,926	32.0	5,265,886
1995-96	2,191,138	34.1	6,425,624
2002-03	3,695,965	40.05	9,227,833
2003-04	4002807	40.22	9953506

Source: Chanana Karuna (2004); and UGC Annual Report 2003-04.

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Table 5

Region	State/Union Territory	Engineering	
		Number of Institutions	*Intake*
Central	1. Madhya Pradesh	61	20210
	2. Chhattisgarh	14	4020
	3. Gujarat	37	12965
	Total	112	37195
Eastern	1. Mizoram	1	120
	2. Sikkim	1	525
	3. West Bengal	54	15477
	4. Tripura	1	180
	5. Meghalaya	1	240
	6. Arunachal Pradesh	1	210
	7. Andaman & Nicobar	-	-
	8. Assam	3	750
	9. Manipur	1	115
	10. Nagaland	-	-
	11. Orissa	41	13014
	12. Jharkhand	10	3385
	Total	114	34016
North	1. Bihar	8	1905
	2. Uttar Pradesh	89	28953
	3. Uttaranchal	9	1440
	Total	106	32298
North-West	1. Chandigarh	5	800
	2. Haryana	38	12785
	3. Himachal Pradesh	5	1260
	4. Jammu& Kashmir	5	1545
	5. New Delhi	14	4330
	6. Punjab	45	14880
	7. Rajasthan	41	15045
	Total	153	50645
South	1. Andhra Pradesh	236	82970
	2. Pondicherry	6	2370
	3. Tamil Nadu	254	80417
	Total	496	165757
South-West	1. Karnataka	118	46375
	2. Kerala	89	24413
	Total	207	70788
West	1. Maharashtra	155	48250
	2. Goa	3	740
	3.Daman & Diu , Dadar & Nagar Haveli	-	-
	Total	158	48990

Source: AICTE: http://www.aicte.ernet.in/ApprovInst/engg_2004.doc

Table 6

Regional Distribution of Institutions Offering Degree Programmes in Professional Courses

State	Engineering & Technology (2002)			Medicine+ (2003)			Management# (2002)			Teacher Education		
	Private	Total	%$	Private	Total	%$	Private	Total	%$	Private	Total	%$
Andhra Pradesh	174	188	93	77	110	70	46	64	72	260	292	72
Maharashtra	141	167	84	208	252	83	81	95	85	214	273	85
Karnataka	72	78	92	274	295	93	26	36	72	52	88	72
Tamil Nadu	137	152	89	161	183	88	56	74	76	0	28	76
Kerala	25	50	50	42	60	70	3	9	33	32	55	33
Total	361	614	59	762	900	85	212	278	76	558	736	76
All India	764	977	78	1028	1351	76	324	505	64	1038	1541	64

$ % of Private Colleges to Total Colleges in India.

+ Includes institutions offering higher education in Allopathic Medicine, Dentistry, Nursing, Pharmacy, Ayurvedic, Unani, Homeopathy and Physiotherapy

The data include 25 Post Graduate Diploma awarding institutions that have been given equivalence with MBA degree by the Association of Indian Universities.

Source: Association of Indian Universities: Handbook on Engineering Education (2002); Association of Indian Universities: Handbook on Medical Education (2003); Association of Indian Universities: Handbook on Management Education (2002); NCTE Website http://www.ncte-in.org as on 15th February 2004.

Table 7

Government Expenditure on Education, 2004-05

Centre/States	Revenue Expenditure	Capital Expenditure	Total Expenditure
Centre (Rs. crore)	19,141	Neg.	19,141
Centre (per cent of GDP)	0.62	Neg.	0.62
States (Rs. crore)	79,913	866	80,796
States (per cent of GDP)	2.57	0.03	2.6
Total (Rs. crore)	99,055	866	99,937
Total (percent of GDP)	3.19	0.03	3.22

Source: Analysis of Budgeted Expenditure on Education, 2002-03 to 2004-05, MHRD, Govt. of India

Table 8
Share of Government Expenditure on Education in GNP (%)

Year	Percent GNP
1951-52	0.67
1965-66	1.82
1985-86	3.71
1989-90	4.21
1999-2000	4.30
2000-01	4.40
2001-02	3.90
2002-03	3.83
2003-04RE	3.81
2004-05BE	3.54

Note: Expenditure on education includes central and state government budget expenditure under revenue, capital and loan accounts on education incurred by education and other departments.
RE: Revised estimate; BE: Budget estimate

Source: Based on Budgetary Resources for Education 1951-52 to 1993-94; Analysis of Budget Expenditure on Education and Economic Survey 2004-05.

Table 9
Revenue Expenditure of Education Departments, 2004-05

Centre and States	Revenue Expenditure (Rs. crore)	Per cent of Total	Per cent of GDP
Elementary education	40,586.19	50.55	1.43
Secondary education	24,990.48	31.13	0.88
Adult education	410.72	0.51	0.01
University and higher education	9,562.19	11.91	0.34
Technical education	3,387.25	4.22	0.12
Physical education	64.73	0.08	0.002
General education	820.44	1.02	0.03
Language development	464.87	0.47	0.02
Total	80,286.87	100.00	2.84

Source: Analysis of Budgeted Expenditure on Education, 2002-03 to 2004-05, MHRD, Govt. of India and CSO National Accounts Statistics.

Table 10

Public Expenditure on Higher Education Per Student

Year	In Current Prices	In 1993-94 Prices	Index
1990-91	5652	7676	100.00
1991-92	5636	6727	87.64
1992-93	6111	6710	87.42
1993-94	6738	6738	87.78
1994-95	7329	6687	87.12
1995-96	6944	5812	75.72
1996-97	7207	5619	73.20
1997-98	7793	5692	74.15
1998-99	9536	6448	84.00
1999-2000	10683	6954	90.59
2000-01RE	11989	7484	97.50
2001-02BE	9723	5873	76.51

Source: Tilak Jandhyala B G (2004) May 22, 2004

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Annexure 1

Summary of Discussions During Seminar

Loss of State's Vision

An important observation in the seminar related to the broader objectives of education and how these objectives were sacrificed in the course of developmental process. The objective of education is to create full potentials in human being (Tagore). The emphasis of *Nai Taleem* put forward by Gandhi was based on realizing the potentials of human being to serve the self-sufficient villages. However, modern education is based on the concept of development of human resources to serve the organized and industrial sectors of economy. However, for the informal sector that consists of 380-million workforce, education is hardly a means to increase the productivity of labour force. No wonder then if there is less participation of SC, ST and Women.

A related observation was made in terms of loss of state's vision on peace that was equated with law and order. The concept of peace is related to the issue of social justice. So long as villages in India suffer from terribly depressing situation of high suicide rate, and so long as education does not deal with Indian culture and tradition, possibly education or higher education cannot serve the broader social cause.

The point to note is that the loss of moral vision of higher education has to be the most important objective of any discourse on privatization in higher education. Tradition imposes on the university system the onerous responsibility of protecting the social fabric of the nation. We can't talk of privatization by loosing sight of the broader objectives of education.

Organic Inter Linkages

Higher education, it was also noted, has its organic linkages with elementary and secondary levels of education. It was noted that the foundation stone of higher education is the elementary and secondary levels of education. If government fails to commit resources at the secondary level and does not fulfill its obligation to pass the 'Right to Basic Education' Act, that will have its repercussions on higher education. For example: failure on the part of the government to universalize

secondary education and the entry of private sector in secondary education for profit motive will weaken the mainstream education. This will also create a mindset of students who may even be alien to the concept of nation building. Hence, the 12 years of secondary education should be compulsory and it should be the obligation of the state to find resources for compulsory secondary education.

Strengthening Public Institutions of Higher Education

A dominant theme in the discussion centered on the issue of analyzing the present status of public institutions. Failure to deliver as per the needs of society and the market by the public institutions is partly due to the increasing trend towards privatization. Several suggestions were made to strengthen institutions of higher education. It was noted that most of our universities, colleges and other institutes suffer from severe problems of inadequate facilities for both students and teachers, uneven quality of teaching, insufficient monitoring to ensure that classes are held and attended regularly, etc. Sum of these reflect the lack of public resources directed to higher education. But there are also problems of ensuring that the facilities that are provided are used to the best effect. With respect to the shortage of quality teachers in public institutions, it was observed that young talent is driven away by very lucrative non-academic jobs and professions. Thus apart from the issue of funding public institutions, there are issues that relate to the vibrant 'inner life' of the universities. Privatization should not be the consequence of weak public institutions. It should emerge in competition with strong and quality system of public delivery of higher education.

Market vs Social Perspective

There were varying views on the issue of privatization of higher education in India. There was a view that the capitalist economic order throws up the dynamics of development in which the capitalist class has essentially a short-run vision, as it is guided by the market. Business man has a vision of selling the commodity and how the production of commodity will be maximized is guided by profit. If education also adopts the market framework, then quality of education and research will suffer as private investment will not be made for the research based education. From the point of view of market perspective it is suggested that salary differentials

may be allowed for attracting competitive faculty. This will, however, be disruptive of age old tradition of respect and honour of the teachers based on recognition by students and society. In a market model, investment will be made for market oriented courses purely with a view to earning income. Hence, state should not abdicate its responsibility to provide higher education.

Another view was that even though privatization carries the risk of being guided by short-run interests, it can't be rejected. In fact, education being a social service, still carries the good old tradition of philanthropists. There are a number of quality higher education institutions being run under private management. The need, therefore, is to identify such private institutions and promote them. The view that was advanced was that private initiative is welcome but we should not corporatise education.

Dilemma of Co-existence

An observation was made with respect to the different objectives of public and private higher education. The debate on public–private gets confused because of non-separation of objectives of education within each mode. The objective function of education under public education is the building of nation whereas under private education it is guided by benefits to the individual. These two objectives are different and may often be conflicting. The dilemma is that present day reality is dominated by market and given this, an individual is a seeker of education that fetches him job and income. It will be difficult then to restrain privatization and marketization. According to one view, public institutions too, will survive only under market-oriented education.

Arguments Against Market Model of Higher Education

1. It was argued that education guided by the profit motive will lead to the loss in the quality of education, as basic research is guided by long run interests and may not yield profits in the short run. Thus market-based education will very often not be supported by research.
2. Marketization of higher education also leads to the drain of skilled human resources. The flow/mobility of human resources under market will be guided

by earning differential. The developed countries may attract talents by offering high salaries.

3. Market model will invariably restrict the entry of poor but meritorious students due to rising tuition costs.
4. The government may slowly withdraw or decrease funding to public higher education if the private and foreign sectors expand access without requiring significant public investment.
5. Market may lead to the imbalance in terms of different courses. Arts, Humanities and Social Sciences being non-profitable may have to suffer.

Legislative Option

Various options exist in terms of dealing with the diverse practices by different private providers of higher education. It was pointed out that judicial interventions exist due to legislative failure. The Constitution of India provides the state for putting 'reasonable restrictions' on the right of an individual to open and run educational institutions under Article 19(6). Consequently, if the state feels that educational institutions charge fees that amount to profiteering, it can legislate in the Parliament putting restrictions on their this right. Various private professional institutions may be brought under the ambit of legislation. Deemed universities may also be brought under the ambit of the legislation. Similarly private universities established by the Acts of the state assemblies are governed by the Acts and rules under the state government. UGC may consider to provide the model framework of a private university. An experiment was done by Bar Council of India by establishing a model law school in the private sector. It is now successfully working.

A potent danger of commercialization emanates from liberal commitments under GATS. The legislation on the entry of foreign universities needs to be separately drafted with adequate provisions to charge reasonable fees. The drafting of the 'Foreign Universities Bill' should also be handed over to the expert committee. The committee will present the draft of the Bill in wide consultation with all stakeholders of higher education.

A BRIEF NOTE

PRIVATIZATION AND COMMERCIALIZATION OF HIGHER EDUCATION

Issues and Concerns[1]

Ved Prakash

The constitutional obligation for education as reflected in the 86th amendment: Article 21A: concerning Right to Education and the new Article 45 on Early Childhood Care and Education as directive principles of state policy, serve as a preamble to the points contained in the policy note. In these provisions, the obligation of the state has been essentially up to elementary education. Even at this stage the resource availability, in all its forms, has still not enabled the country to meet the targets of universalisation of elementary education. The question of achieving universal secondary education adds to the complexity of the problem. While on the one hand, it is argued that the state should concentrate on providing equitable and quality education up to the elementary stage, on the other, there is also a view that state should spend its resources equitably for all stages of education. Besides, there is also a view that the private sector could be appropriately involved in providing higher education.

While discussing private participation in higher education, several questions need to be addressed. A few of them are indicated below:

- It cannot be denied that initially, a large part of high quality higher education in our country has come from private investors. To quote a few examples, one may mention the philosophy behind the establishment of such pioneering institutions as the Indian Institute of Science, Bangalore; Birla Institute of Technology and Science, Pilani; Banaras Hindu University; Aligarh Muslim University; Dayanand Anglo Vedic; St. Xavier and St. Stephen. These institutions have been unmistakably at the forefront of quality education of international standards but none of these institutions have been even remotely connected with profit making. There have been similar examples in other parts of the world as well. How can our failing spirits be revived?

[1] The note was distributed to the participants of the seminar along with the letter of invitation.

- Global trends reveal that in most part of Europe as also in Canada higher education is mostly in the public domain. Even in the United States, it is predominantly public if one looks at it from the point of view of enrolling capacity of private and public institutions. Moreover, even in private institution, higher education in US is not commercialized; it survives on the tradition of philanthropy. However, there are also countries like Korea, the Philippines, Malaysia and Japan in Asia; Mexico in North America; and Brazil, Chile, Paraguay in Latin America wherein higher education is predominantly private. What lessons do we need to draw out of these varied experiences?
- In other words, private participation in the contexts outlined never meant profit making. So, what criteria could be laid down to define privatization in our context? How do we revive the philosophy behind creation of such like new structures in private higher education? The important point that needs discussion is not only to make distinction between private and public but also to highlight the focus on practices adopted in teaching and learning.
- Judicial pronouncements in J.P. Unnikrishnan judgment, 1993, upheld that "commercialization of education cannot and should not be permitted". Further, TMA Pai judgment, 2002, though opposed 'profiteering', but permitted a 'reasonable revenue surplus.....for the purpose of development of education and expansion of the institutions' favouring autonomy in granting admissions and determining fees. This has resulted in *de-facto* commercialization in higher education due to unclearness. In such a situation how are we going to ensure the autonomy of individual institutions without letting them into profiteering? The question is how to encourage private institutions without allowing them to commercialize higher education.
- In allowing private investments in education what regulatory mechanisms are required and in what manner they should be applied to both public and private participation?
- Should privatization of higher and professional education be total or as a joint venture? If in the joint venture, how do we identify the sectors of participation in each domain?

- Should private sectors be allowed to offer only such courses where it thinks the best financial returns could come or get involved in all areas of human knowledge relevant to higher education?
- How will social accountability be shouldered by private service providers in higher education?
- What regulatory mechanism has to be visualized for admissions and reservations in public and private institutions?
- What rethinking, if any, is required on the nature of job offering, whether contractual or otherwise? What parameters need to be considered on the question of job security? These aspects are major concerns in the present recruitment policy.
- Should differential salaries be allowed in institutions administered by public and private sectors? How would it be handled when in a related health sector there is no way of ensuring any parity?
- The consequence of different salary structures has a bearing on differential fee structures in public and private institutions. How would this be reconciled?
- In the existing norms, the expectations of reserving seats for disadvantaged sections are pegged with the provisions in the land allotment on concessional price to the private enterprise. The recent Supreme Court judgment on reservations and the move by the Delhi Government to allow auction of lands to educational institutions will affect the whole process of social-equity in higher education by private management. How such a situation is to be tackled?
- What regulatory guidelines are needed for unrecognized private institutions as well as for the entry of foreign universities in the country?
- What ways and means could be suggested for raising public resources to the level of 6% of GDP on education?

PRIVATIZATION OF HIGHER EDUCATION

Opportunities and Anomalies*

M. Anandakrishnan

EMERGING CONFIGURATION

The issues relating to privatization and commercialization of higher education in India should be viewed in the context of the emerging configuration of the system, in terms of its enrolment capacity, programme focus, regional balance, ownership pattern, modes of delivery, degree of regulation, quality and credibility. These factors will most likely be very different from what existed in India in the past decades. Even though the feeling of an aimless drift in the development of higher education is growing, there are sufficient indications that the system will soon have the benefit of predictable policy directions.

The individual need for higher education is no longer perceived as mere acquisition of a paper degree but to obtain sufficient knowledge and skill so as to function as a productive member of the society. With unprecedented developments in science, technology and other knowledge oriented systems, the conventional structure and processes associated with higher education are undergoing major transformations. Global competitiveness in acquiring knowledge as well as in its application is being enlarged.

The globalization process has introduced a high degree of competition, posing challenges to the relevance of the programmes of the higher educational institutions on one hand, and the compulsions of the industries and businesses to measure up to the world standards on the other. The abilities to stand up to this competition will depend on the capabilities of the human resource to perform with context-sensitive maturity. To cope with these new roles, the higher education system would have to accommodate effectively the emerging social and economic realities. In this context, will be necessary serious efforts to prevent or at least reduce a state of disorder in higher education

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* Presented at the Seminar on "Privatization and Commercialization of Higher Education", organized by the National Institute of Educational Planning and Administration (NIEPA), May 2, 2006. India International Centre, New Delhi.

system, while at the same time to avoid needless control and counterproductive regulations.

One key factor that will determine the future configuration of the higher education system is the anticipated demand for greater opportunities than available at present. In the past, the available supply capacity determined the level of opportunities. In future, it may be inevitable to configure the capacity of the higher education system with the need and demand. Merely increasing the number of higher educational institutions and their enrollment capacity will not achieve the national developmental goals without concurrent attention to ensure the quality of the educational system, its access to those who desire, and equity measures for fair and impartial treatment of the disadvantaged sections of the society.

In this context, the opportunities arising out of the privatization of higher education and the possible anomalies associated with their commercialization require deeper reflections. In recent years the rapid expansion in the number of institutions and in their intake capacity, mainly by private investment, has resulted in decline in quality, partly due to lack of well-trained faculty and teaching facilities and mainly due to excessive commercial motives. The agencies responsible for permitting growth and expansion of educational institutions should pay sufficient attention to the developmental purpose of education and the factors that are likely to inhibit its value to the nation.

DETERMINANTS OF GROWTH

The growth in the number of colleges and universities during the past two decades has not been guided by any discernible policy. As the state governments were rapidly withdrawing their involvement in establishing new higher educational institutions, permissions to the private investors to fill the void were granted based mostly on ad-hoc considerations. In this manner, a large number of colleges in different disciplines as well as a significant number of university level institutions, such as private deemed universities and private universities established by the state legislatures, have come into existence in recent years. This has resulted in highly undesirable distortions in the higher education sector, affecting its very credibility. For instance, some of the private institutions that managed to get the university level status defy any suggestion towards

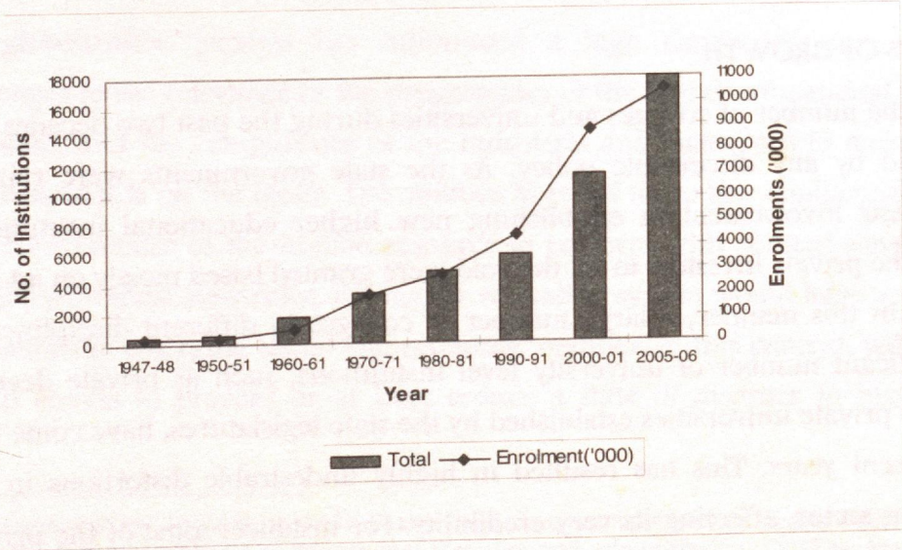
monitoring their standards and quality, not realizing that their degree will be worth only to the extent it is endorsed by a competent external agency. In future, adhocism in determining the growth pattern should have to cease. However complex may be the task of assessing the future scope and demand for higher education in India, it may be inevitable to spell out a few cardinal principles that will guide the directions and dimensions of its expansion. Some of the key determinants for estimating the pattern of demand are indicated below.

New Aspirants

The demand for higher education is expected to rise significantly at least for the coming two decades. The increasing high school enrolment and the reduction in the school dropout rate, combined with special population groups such as first generation learners, women, minorities, rural population, and weaker sections opting for higher education will create additional demands for higher education.

Since independence, the number of universities has increased from 25 to 348 while the number of colleges has grown from 700 to 17625. The total enrolment in the higher education system (excluding the distance education) has increased from 0.1 million to 10.48 million (Figure 1). Nearly 89 percent of the students in higher education system are enrolled in the affiliated colleges.

Figure 1: Growth of Higher Education Institutions & Enrolment in India



Source: Agarwal (2006)

In spite of impressive growth in the higher education system, the percentage of enrolment of relevant age group, i.e. the Net Enrolment Ratio (NER) remains around 7, which is very low compared to the more advanced countries (Table 1).

Table 1

Percentage of Enrolment of Relevant Age Group in Higher Education

Year	1960	1970	1980	1990	2000	2004
NER	1.5	4.2	4.7	5.9	6.0	6.86

Source: CABE Committee (2005)

Global Stature

Given the national aspirations to promote a knowledge-based society and acquire a status of global economic power, comparable to some of the more advanced countries, it is imperative that the higher education system develops in the right direction. The Gross Enrolment Ratio (GER), which does not consider age, and age-specific enrolment and which does not consider the level or class of enrolment is an indicator of the opportunity available at a given stage of education. An analysis of enrolment in higher education suggests that there is broadly a positive correlation between GER in higher education and per capita GDP of nations. As a minimum it would be necessary to provide access to higher education to a high proportion of eligible and aspiring age group, comparable to the developed countries.

Considering the demand for higher education, the GER in India, relative to many of the developed countries, is very low (Table 2). While the GER in these countries are in the range of 50 to 75, India stands at 12. The GER varies even more drastically among the States of India (Table 3):

Table 2

Gross Enrolment Ratio in Higher Education

Country	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
India	...	11	11	11	12
Australia	64	63	63	65	74
Canada	59	60	59	58	...
China	6	7	10	13	16
France	51	53	54	54	56
Germany	48	48	49	50	51
UK	59	58	59	64	64
USA	73	70	71	81	83

Source: Agarwal (2006)

Table 3
Gross Enrolment Ratio (GER) in Higher Education among Various States in India

S. No.	State/Union Territory	GER in Higher Education in % (2002-03)
1	Andhra Pradesh	9.51
2	Arunachal Pradesh	6.37
3	Assam	8.67
4	Bihar	7.30
5	Jharkhand	7.27
6	Goa	13.47
7	Gujarat	09.65
8	Haryana	10.56
9	Himachal Pradesh	12.76
10	Jammu & Kashmir	4.95
11	Karnataka	8.12
12	Kerala	9.92
13	Madhya Pradesh	7.66
14	Chhattisgarh	7.77
15	Maharashtra	12.30
16	Manipur	13.19
17	Meghalaya	10.94
18	Mizoram	9.51
19	Nagaland	4.33
20	Orissa	8.71
21	Punjab	8.53
22	Rajasthan	8.77
23	Sikkim	6.29
24	Tamil Nadu	10.91
25	Tripura	5.84
26	Uttar Pradesh	7.03
27	Uttaranchal	12.25
28	West Bengal	8.21
29	A & N Islands	0.00
30	Chandigarh	28.68
31	Delhi	10.94
32	Pondicherry	17.88

Source: Anandakrishnan (2004-1)

It will be necessary to provide for a substantial increase in the GER, perhaps in the region of about 20% in the next 15 to 20 years, by doubling the existing capacity. Even as this increase is promoted, the specific directions for growth in terms of disciplines, proportion of increase under private management, and quality should be spelled out.

Social Demand

The increasing demand for higher education is fuelled by a desire for higher education from large sections of people of India in the hope of attaining better quality of life and greater social equity. It is considered as a means of upward social mobility and greater

economic security, especially by the first generation learners. Even the poorest of the poor is now willing to make personal sacrifices to provide higher education for their children. Changing social attitudes, such as providing opportunities for girls to obtain the highest possible levels of education, so as to enable them to acquire respectable status in life, are also increasing the demand for higher education. The increase in enrolment from the years 1983-84 to 2002-03 is shown in Table A-1. The annual rate of growth in enrolment ranges from 2.9% to 7.4% with an average of about 6% per year.

The increase in the number of private unaided institutions and their share in enrolment during the five-year period 2000-01 to 2005-06 are shown in Table 4 (a) & (b). While the increase in the number of government and aided institutions is insignificant, private unaided institutions have more than doubled in the last five years. Further, the increase in enrolment in the former is 4.15%, while it is 74.5% in private institutions.

Similar patterns of growth of private higher educational institutions in Arts, Sciences, and in Engineering in Tamil Nadu are shown in Table A-2(a) and Table A-2(b). The quantum leap in the number of higher educational institutions including colleges and universities, as well as in the enrolment in institutions under the private unaided management and government sector institutions during the past five years indicate the current trend in the ownership of higher education institutions.

Table 4 (a)
Relative Share Private Unaided Institutions in Higher Education (2000-01 to 2005-06)

Type of Management	Number of Institutions		
	2000-01	2005-06	Increase
Govt. and Aided	4342	4493	151
Private Unaided	3223	7720	3497

Source: UGC Reports

Table 4(b)
All India Enrolment ('000)

Type of Mgmt.	2000-01	2005-06	Increase in 5 Years (%)
Govt. and Aided	6577	7262	4.15
Private Unaided	3223	7720	76.70

Source: UGC Reports

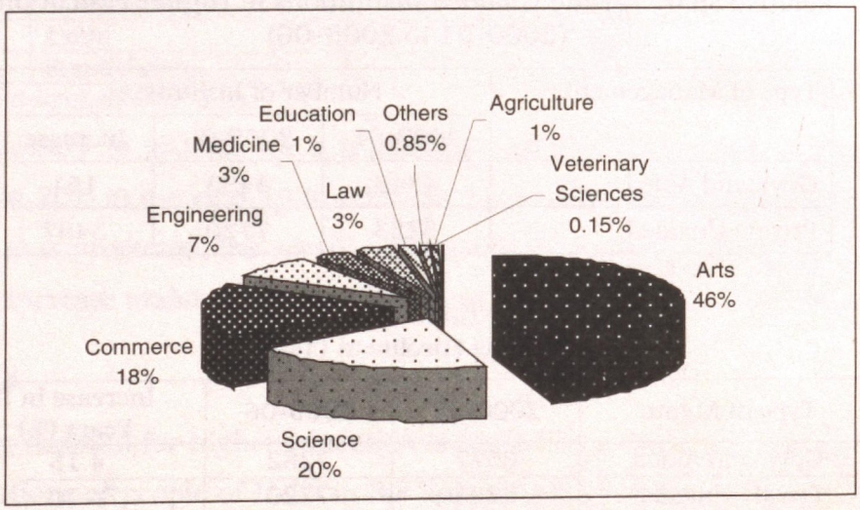
Sector-Wise Demands

The growth of various sectors, such as agriculture, manufacturing and services, will generate additional demand for competent human resource through the higher education system. At different stages of economic growth, the nature of demand in terms of disciplines and specialties is likely to vary. The higher education system should be able to respond to the changing requirements seamlessly through flexible systems of teaching and learning. The distribution of enrolment in the year 2002-03 among the different disciplines of higher education is shown in Table 5 and Figure 2.

Table 5
Student Enrolment: Faculty-Wise*: 2002-2003

Serial Number	Faculty	Enrolment	Percentage to Total
1.	Arts	41,58,606	45.07
2.	Science	18,34,493	19.88
3.	Commerce/Management	16,60,238	17.99
4.	Education	1,32,572	1.43
5.	Engineering/Technology	6,92,087	7.50
6.	Medicine	3,00,669	3.25
7.	Agriculture	55,367	0.60
8.	Veterinary Science	14,765	0.16
9.	Law	2,98,291	3.23
10.	Others	80,745	0.88
	Total	92,27,833	100.00

Figure 2
Distribution of Disciplines of Higher Education 2004-2005



Source: University Grants Commission

INEVITABILITY OF PRIVATE PARTICIPATION

In the context of meeting the rapidly growing demand for higher education, it appears that the responsibility would have to be shared by the government and the private sector. In recent years the initiatives for creating additional capacity for higher education in the government and aided sectors have greatly diminished. The burden is shifting towards private investors, who are keen on participating in the growth of the higher education sector.

In order to reach the goals of doubling the higher education capacity from the present level, it will be necessary to encourage participation of the private sector. Governments alone will not be able to achieve the goal. At the same time, government cannot afford to abandon its responsibility for further augmentation of the existing capacity and leave it entirely to the private sector. From the experiences gained during last two decades, there are sufficient pointers to orient the higher education system towards a more respectable and credible system than at present. There are positive as well negative feedbacks on the role of government as well private sector in higher education.

Many government institutions, especially those belonging to states, are languishing for want of funds and faculty either due to budgetary constraints or due to deliberate neglect of the higher education system in favour of private sector. At the same time there are many state and central government institutions, which have attained pre-eminent status in higher education.

There are very many forms of private institutions in higher education. Some are affiliated or autonomous colleges, some are deemed universities, and some are private universities established by state legislatures. A few of them also receive governmental support in one form or the other. Some of these are minority institutions. These are generally established and operated under provisions of charitable societies or trusts. There are many commercial institutions operating in higher education sector. Some are satellite institutions of foreign universities.

CHARACTERISTICS OF PRIVATE INSTITUTIONS

But for a few institutions set up by religious and charitable trusts of repute with philanthropic objectives, individuals or family groups have started many of the

institutions in the post-1980 period. In such institutions, the family members remain directly involved in the administration, governance, financial control and direct and/or indirect ownership of the institution. Though these are registered as not-for-profit institutions, most of them exhibit features of private-for-profit institutions. Such institutions are often referred to as self-financing institutions. There are extremely varying perceptions in the country about the characteristics of private institutions.

Some would consider them as the panacea for higher education, and would want governments to stay away from the higher education sectors. They would not want any kind of regulation or interference in the establishment and operation of private institutions and would let the market forces determine their survival. They do not agree to any kind of reservations for students or faculty, any suggestion for fee structure, any guideline for qualifications and salary structure and service conditions of teachers and staff. Yet they would want to function under the provisions of "charitable" institutions.

There are many others who consider private institutions as the root of malpractices, exploitation, and poor quality education, which are manipulated politically or financially. Clearly both perceptions are based on real world experiences though may suffer from undue generalizations. It would be unfair to characterize all self-financing private institutions as indulging in undesirable practices.

There are many privately funded and managed institutions that are committed to educational excellence and conscious of their responsibility to their students. A substantial number of them are known for transparency and academic commitment. An analysis of such institutions reveals that their governing bodies consist of eminent persons, known for their integrity and knowledge of educational systems. Such bodies are not controlled or manipulated by private individuals or family members. These are established as public trusts or societies true to the spirit that education is a charitable and non-commercial venture. They allow considerable autonomy to the head of the institution and the faculty and treat them with dignity so that competent teachers are attracted to such institutions.

The excess incomes generated by such institutions are generally not hidden or misappropriated but utilized for further growth and development of the institution. They are keen on providing post-graduate and research programmes and establishes

good reputation and academic image. In such institutions, the curriculum, recruitment procedures, admission requirements, various fees, details of faculty, results etc., are transparent through their publications and websites. Approximately 25% of private institutions will fit into this characterization.

It is the large majority of the other self-financing private institutions who do not exhibit the above traits, resulting in poor image of many of the private institutions. Among the nature of accusations against such private institutions, whether a college or a university, the prominent ones relate to collection of exorbitant capitation and other institutional fees, that are not brought into regular accounts; manipulation of entrance results and admission processes to maximize illicit payments; and disregarding admission norms in favour of those willing to pay more. These generally treat the faculty somewhat like bonded labour in matters of salary and service conditions. These institutions are generally unwilling to invest in post-graduate programmes which are not as profitable as UG-programme, that too, in areas which are in great demand and which require less investments by way of infrastructure. This type of attitude creates disciplinary distortions in the higher education sector, which cumulatively can damage the long-term interests of the nation.

While private investment in higher education has become inevitable in the current policy environment, the nature of private participation is so poorly or ambiguously spelled out, that pseudo educational ventures have come up to dominate our educational system. The gross commercialization of a significant part of our education system and exploitation of gullible masses by many unscrupulous national and international ventures, are making education unaffordable to vast sections of deserving students. Legitimate cost of private investment is justifiable but greed cannot be compensated adequately.

Another serious shortcoming of both private and governmental institutions is the inadequacy of teaching staff. The excuse for this situation is the non-availability of teachers with the prescribed qualifications. The statutory agencies that approved the expansion of these institutions should have exercised due caution with regard to the rate of expansion and taken adequate measures to develop a reliable system for supply of qualified teachers in adequate numbers. This is also becoming a convenient rationale

for employing unqualified and underpaid staff by several managements. This issue has become the major cause agitating the minds of students in a large number of private institutions, particularly technical institutions.

AMBIGUITY IN THE ROLE OF PRIVATE SECTOR

The ambivalent status of these institutions operating under the cloak of "charitable" institutions, but *de-facto* being profit-oriented commercial establishments is inimical to the national interest. They are fast becoming breeding grounds for entry and operation of sub-standard programmes from second rate foreign institutions wishing to engage in joint profit-making educational ventures, catering to the gullible youngsters in India. In order to claim the status of charitable enterprises, they should explicitly demonstrate the educational commitment and social responsibility and should be willing to allow prescribed social and academic audit.

CONSEQUENCES OF PROFIT MOTIVATION

Assuming that privatization of education is inevitable, even its protagonists could not have anticipated the intensity of problems it has created in the country. There are four distinct but interrelated problems that require immediate attention.

Declining Access

In Tamil Nadu, a total of 5.84 lakhs of students passed out of the various plus two examinations in 2004. About 75% of them (say 4.4 lakhs) secured more than 60% marks and could be considered as potential aspirants for higher education. The intake capacity in the Arts and Science colleges was about 1.35 lakhs besides about 0.8 lakhs in the technical institutions and another 0.2 lakhs in other professional institutions with a total of about 2.35 lakhs, far below the number of aspirants. The need for starting more colleges is evident. However, the number of colleges started by the government in the last 15 years is negligible. Most of the new institutions are in the private sector. Of the total of 444 Arts and Science colleges, 60 were government colleges, 133 were aided institutions and 251 were private self-financing colleges as shown in Table A-2 (a). Among the 257 technical institutions, only 12 were government and aided, with an intake capacity of about 5000, while the balance of 75000 seats were in the 245 self-financing colleges (Table A-2 (b)). Due to the demand

outstripping the capacity, a large number of aspirants are denied access to higher education. The conditions for admissions to private institutions in the face of the scarcity further deprive the educational opportunity to a large proportion of potential candidates. The deprivation is particularly acute in the case of those wishing to enter professional institutions.

Equity Crisis

Opportunities to pursue higher education are dependent upon the availability of adequate capacity. In India as a whole, higher educational facility is available to only about 8.6% of the eligible age group of 17 to 22 years. The average national enrolment capacity per million is 8589. Many states are not fortunate enough to reach even this capacity (Tables A-3 and A-4).

The lopsided growth of higher educational institutions in the private sector deprives those sections of the population who have the constitutional protection for educational opportunities. Taking the example of Tamil Nadu in engineering admissions, the number of seats available to Scheduled Castes and Scheduled Tribes (SC/ST) is only 19% of the 5000 seats i.e. 950 seats while the number of eligible aspirants in the SC/ST category is of the order of about 10000. The private institutions do not follow the reservation policy. There is an inadequate grasp of the intensity of inequity crisis in the education sector.

Moreover, the private institutions adopt various means to attract students from far away places thereby depriving the local students the opportunity for technical education. In some of them, nearly 75% of students are from outside the state. Minimum eligibility criteria prescribed by regulatory bodies are ignored. Capitation fees are collected in very many devious ways that constitute unaccounted profits for the managements.

The privately funded institutions, despite their investments in buildings and equipments, have not yet attained the level of credibility and reputation anywhere near ordinarily equipped governmental and aided institutions. Most of the self-financing higher educational institutions are as yet beyond the public scrutiny in respect of their practices in generating their resources and deploying them. The pass percentages from

in admission of students and protection from exploitation of parents and teachers in the higher education system, is eroded.

PUBLIC SOCIETIES OR PUBLIC TRUSTS

Supreme Court Judgement in Unnikrishnan Case, para 210 (1), states:

> *"A professional college shall be established and/or administered only by a Society registered under the Societies Registration Act 1860.....or by a Public Trust, religious or charitable, registered under Trusts Act..... No individual, firm or company or other body of individuals, by whatever appellation called – except those mentioned above - will be permitted to establish and/or administer a professional college. All the existing professional colleges, which do not conform to the above norm, shall be directed to take appropriate steps to comply with the above norms within a period of six months from today. In default whereof recognition/affiliation accorded shall stand withdrawn. "*

EXAMPLES FROM OTHER NATIONS

In USA, the universities and colleges should have obtained the approval of one or more of the national or state level authorities. Institutions are categorized as:

1. Public Institutions established and funded by the governments;
2. Private Not-for-Profit Institutions established and funded by trusts and societies consisting of broad based membership (not by individuals, their families and friends);
3. Private For-Profit Institutions established and funded as a commercial venture by individuals, their families and friends.

In 2005, the number of such institutions is as follows:

Public Institutions:	642
Private Non-Profit Institutions:	1602
Private For-profit Institutions:	348

The number of higher educational institutions in different categories in some of the states of USA is shown in Table 8.

Table 8
Category Wise Higher Education Institutions in USA

State	Public (Number)	Enrolment	Private (Not-For-Profit)	Enrolment	Private (For-Profit)	Enrolment
Alabama	16	143815	17	22918	6	5171
California	34	603077	144	254377	54	67143
Deleware	2	24299	4	11758	0	0
Florida	16	357387	51	131790	39	48622
Georgia	21	194942	34	59363	12	17704
Illinois	12	201118	87	198807	19	26956
Maryland	15	112931	22	50832	2	11865
Mass.	15	102782	82	241291	3	1626
New York	46	371624	159	474501	11	17858
N.Carolina	16	183347	43	79053	2	187
Total	193	2,295,322	643	1,524,650	148	187,172

Source: US Office of Post-Secondary Education
Anandakrishnan (2005)

Nearly 57% of the students in the higher education system are enrolled in the publicly funded institutions, about 38% in Private-Not-for-Profit institutions and only about 5% are in Private-For-Profit institutions (Anandakrishnan, 2005).Many top universities – Columbia, Harvard, Princeton, Stanford and Yale, to name just a few, are private Not-For-Profit institutions (Schkoske, 2004). It is noteworthy that most of these highly prestigious institutions are run with little or no control from individuals or families. The Public Trusts and the Governing Boards of such institutions consist of eminent persons truly competent in the field of education, industry or public service. The actions taken by such bodies are in the best interest of education and not influenced by profit motive. All their actions are fully transparent and subject to social audit.

At the same time, the laws of the United States provide for private Trusts belonging to individuals or families to be engaged in higher education and training activities but they come under the category of For-Profit institutions with applicable commercial laws. If their graduates require civil service jobs or further advanced education or training or government scholarship and so on, it is necessary that such For-Profit institution submit themselves to the accreditation by agencies recognized for this purpose.

"The right to establish and administer broadly comprises of the following rights: (a) to admit students: (b) to set up a reasonable fee structure; (c) to constitute a governing body; (d) to appoint staff (teaching and non-teaching); and (e) to take action if there is dereliction of duty on the part of any employees" (Para 50)

"With regard to the core components of the rights under Articles 19 and 26(a), it must be held that while the State has the right to prescribe qualifications necessary for admission, private unaided colleges have the right to admit students of their choice, subject to an objective and rational procedure of selection and the compliance with conditions, if any, regarding admission of small percentage students belonging to weaker sections of the society by granting them freeships or scholarships, if not granted by the Government. Furthermore, in setting up a reasonable fee structure, the element of profiteering is not as yet accepted in Indian conditions. The fee structure must take into consideration the need to generate funds to be utilized for the betterment and growth of the educational institution, the betterment of education in that institution and to provide facilities necessary for the benefit of the students. In any event, a private institution will have the right to constitute its own governing body, for which qualifications may be prescribed by the State or the university concerned. It will, however, be objectionable if the State retains the power to nominate specific individuals on governing bodies. Nomination by the State, which could be on a political basis, will be an inhibiting factor for private enterprise to embark upon the occupation of establishing and administering educational institutions. For the same reasons, nomination of teachers either directly by the department or through a service commission will be an unreasonable inroad and an unreasonable restriction on the autonomy of the private educational institution." (para 53)

"The right to establish an educational institution can be regulated but such regulatory measures must, in general, be to ensure the maintenance of proper academic standards, atmosphere and infrastructure (including qualified staff) and the prevention of mal-administration by those in charge of management. The fixing of a rigid fee structure, dictating the formation and composition of a governing

body, compulsory nomination of teachers and staff for appointment or nominating students for admissions, would be unacceptable restrictions". (para 54)

"We, however, wish to emphasize one point and that is that inasmuch as the occupation of education is, in a sense, regarded as charitable. The government can provide regulations that will ensure excellence in education, while forbidding the charging of capitation fee and profiteering by the institution. Since the object of setting up an educational institution is by definition "charitable", it is clear that an educational institution cannot charge such a fee as is not required for the purpose of fulfilling that object. To put it differently, in the establishment of an educational institution, the object should not be to make a profit, inasmuch as education is essentially charitable in nature. There can, however, be a reasonable revenue surplus, which may be generated by the educational institution for the purpose of development of education and expansion of the institution". (para 57)

The Supreme Court in the Inamdar Case ruled that the Governments have no right to ask for government quota in private unaided professional institutions. To overcome this condition, Art 15 was amended to introduce a new clause 15(5): *"Nothing in this Article or in sub-clause (g) of Clause (1) of Article 19 shall prevent the State from making any special provision, by law, for the advancement of any socially and educationally backward classes of citizens or for the scheduled castes or scheduled tribes in so far as such special provisions relate to their admission to educational institutions, whether aided or unaided by the state other than the minority educational institutions referred to in clause (1) of Article 30."*

This Amendment enables states to provide for reservations for these categories of students by enacting their own laws. The possible impact of this step is not yet clear.The judicial pronouncements on the freedom to pursue the occupation of choice are applicable to educational institutions, which are run as truly "charitable" endeavour. Unfortunately if institutions are started and managed in a manner contrary to the ideal assumptions of the Supreme Court, the society faces formidable problems of discontent since the scope for adoption of regulatory approaches is restricted. The ability to enforce norms and standards, credibility and comparability of degrees, equity measures

these colleges are an indication of their reputation. The pass rates for the 229 private engineering colleges in Tamil Nadu for the year 2003-04 is shown in Table 6. It is seen that the average pass rate was 42.6% for all the 229 colleges. Less than 35.5% passed out from 150 out of the 229 colleges. Since these colleges are affiliated to Anna University, which conducts the examinations, the deficiency in teaching and learning is the primary cause of the high failure rate.

Some of the colleges in this list, which showed a pass rate of less than 10%, later became part of a deemed university with the same faculty strength. Then the pass rate jumped to 98% causing concerns about the credibility of the deemed university degree.

Table 6
Pass Percentage of Private engineering Colleges in Tamil Nadu

Pass % Range	Number of Colleges	Number Appeared	Number Passed	Average Pass%
80-100	0	-	-	-
70-80	5	6669	4983	74.7
60-70	21	24826	15872	63.9
50-60	22	21861	11866	54.3
40-50	31	24457	11168	45.7
30-40	66	42502	15087	35.5
20-30	52	26680	6926	26.0
10-20	27	10364	1629	15.7
00-10	5	1343	132	9.8
Total	229	158702	67663	42.6

Source: Anna University
Anandakrishnan (2004-2)

AFFORDABILITY DISTRESS

Many private institutions charge exorbitant fees (beyond prescribed norms) in the form of various kinds of levies (not accounted by vouchers and receipts) and are unable able to provide even minimum competent faculty strength. The non-affordability of the programmes of such institutions to a vast majority of eligible students is a matter of public concern. This dilemma needs to be reconciled in the interest of harmonious growth of higher education system in the country.

Since the norms for fixation of fees are vague, the quantum of fees charged has no rational basis. While the illegal capitation fees range from Rs.2 to 8 lakhs for some of the courses, the regular fees also vary considerably among the states and within the states. The range of annual fees charged in a few states in 2005-06 for undergraduate

engineering degree programmes is shown Table 7. In addition, the private institutions collect exorbitant and compulsory fees in the name of transport, canteen, library, text books, mark sheets, caution deposits, degree certificates, hall tickets, association fees etc. and refuse to give valid receipts for such collections.

Table 7
Range of Fees for UG Engineering Programmes (2005-06) (in Rupees)

State	Max	Min	Average
Madhya Pradesh	26000	23300	
Chattisgarh	31900	20000	
Gujarat	36000	30000	
Chandigarh			72000
Haryana			45000
Himachal Pradesh			41000
Jammu & Kashmir			32000
Punjab			51500
Rajasthan			41000
Andhra Pradesh			22000
Tamil Nadu	40000	25500	

Source: AICTE

JUDICIAL VIEWS AND DIRECTIVES

According to Article 19(1) (g): "All Citizens shall have the right to practice any profession, or carry on any occupation, trade or business."

Based on the interpretation of this Article, the Supreme Court of India in the case of T.M.A. Pai Foundation & others v/s State of Karnataka & others (W.P.(C) No. 317 of 1993 dated 31.10.2002) pronounced the following:

"The private un-aided educational institutions impart education, and that cannot be reason to take away their choice in matters, inter alia of selection of students and fixation of fees. Affiliation and recognition has to be available to every institution that fulfills the conditions for grant of such affiliation and recognition. The private institutions are right in submitting that it is not open to the Court to insist that statutory authorities should impose the terms of the scheme as a condition for grant of affiliation or recognition; this completely destroys the institutional autonomy and the very objective of establishment of the institutions.' (Para 36)

In the United Kingdom, after the Education Reform Act of 1968, there is only one approved private university - The Buckingham University. Four universities from USA have been permitted to offer programmes in UK in the capacity of For-Profit private universities.

ESSENTIAL POLICY DIRECTIONS

Government versus Private Institutions

The governments should reverse their present stance of abandoning the higher education wholesale to the private sector. This is essential to prevent the distortions that have crept in the higher education sector, outlined earlier. For every two private institutions permitted to be opened, the state or the Centre should start one government-funded institution to prevent disproportionate dominance of private educational institutions.

An empirical target may be set to provide opportunities for higher education to a proportion of the eligible age group likely to be benefited. There is an emerging consensus among educationists in India that at least 15% to 20% of the age group 18 to 22 should be enrolled in the higher system as against the present level of about 7%. Even this target is much less than what is available in many of the more developed countries.

It is a well-known fact that government funding for education has been on a steep decline in real terms. Though there are nominally higher allocations for education year after year in the government budgets, these are nowhere near the real needs to meet the inflation: to fill up vacant positions, to provide minimally decent infrastructure, not to speak of starting new institutions. There should be predictability of funding for education as prescribed percentage of GDP by Central Government and as a prescribed ratio of Net State Domestic Product (NSDP) in the case of State Funds. The funding should also be predictable on the basis of revenue expenditure.

The plea of paucity of resources for education by governments is not valid. It should be possible for responsible governments to float educational bonds to fulfill their constitutional and social obligations. The substantial scope for building up educational development funds should not be ignored. It should be possible to establish Education

Equity Protection Fund by apportioning 5% from Fee Collection and 5% Budgetary Support. The states should try harder, than at present, to seek sufficient allocations from central funds.

The proportion of research funding is a tiny fraction of the overall expenditure of most government-funded institutions (other than a few premier institutions). Most private institutions are unlikely to allocate research funds. There should be a reasonable proportion of funds for research and development, including for doctoral research fellowships. Relatively speaking, the centrally funded institutions fare much better than state-funded institutions in research funding.

Government institutions capable of mobilizing extra-budgetary funds should be allowed to use them for their own development and the governments should not snatch away such funds (as it is done now, thereby removing all incentives to raise additional resources). Self-financing courses should be banned from government and government aided institutions, since they are at the root of many undesirable practices. Besides, these courses lead to progressive neglect of regular courses.

In order to set good models for higher educational institutions, the educational institutions under the responsibility of governments should conform to all norms for quality education. Otherwise, they loose their legitimate authority to insist on quality norms in private institutions. It should be mandatory for governmental educational institutions to ensure the following quality norms:

a) The student-teacher ratio should be strictly followed. The practice of *ad hoc* or daily-wage teachers should be banned. There should not be more than 15% vacancies in teachers' positions. The performance and accountability of teachers should be enforced. The appointment of teachers should be based on merit through transparent norms.

b) The built up space should be adequate for the enrolled strength of students and number of teachers as per well-known norms.

c) The institutional amenities, such as library, computer centre, toilets for boys and girls, laboratories etc. should be according to the prescribed norms.

Government institutions that do not conform to such norms should be de-recognized; or disaffiliated by the appropriate regulatory authorities, such as UGC, AICTE, MCI, NCTE, DCI etc. without any qualms.

Regulatory Imperatives

The suggestion of the Supreme Court in the Unnikrishnan Case that only Public Trusts or Societies should be allowed to run professional institutions should be extended to all categories of private unaided institutions. This would help overcome most of the malpractices.

The next and in some sense more important step would be to declare all educational institutions managed by private trusts or by private individuals or by families, as profit-making commercial entities. They may be free to admit whomever they want, for whatever programme they offer and charge the fees they prescribe, but should have to abide by the regulations applicable to commercial establishments, including payment of taxes. The only condition should be that their programmes should be accredited by designated educational accreditation agencies so that their diplomas and degrees are recognized for further education and employment. This would be very similar to the practices followed in most advanced countries in the higher education system.

Many other desirable practices need to be insisted upon. For instance, it should be a criminal offence not to give valid receipts for fees collected; to take signatures from teachers for fictitious salary payments; to collect donations through dummy foundations; etc. The plethora of entrance examinations conducted by the private institutions should be prohibited. Members of the same family starting different categories of minority institutions should be treated as fraud on the constitutional provisions.

Without correcting the systemic anomalies, all efforts to burden the overloaded regulatory bodies to maintain quality standards and ethical practices would amount to wasted exercises.

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Table A-1
All India Growth of Students Enrolment: 1983-84 to 2002-03

Year	Total Enrolment	Increase over Preceding Year	Percentage
1983-84	33,07,649	1,74,556	5.6
1984-85	34,04,096	96,447	2.9
1985-86	36,05,029	2,00,933	5.9
1986-87	37,57,158	1,52,129	4.2
1987-88	40,20,159	2,63,001	7.0
1988-89	42,85,489	2,65,330	6.6
1989-90	46,05,680	3,17,191	7.4
1990-91	49,27,868	3,22188	7.0
1991-92	52,65,886	3,41,018	6.9
1992-93	55,34,966	2,69,020	5.1
1993-94	58,17,249	2,82,283	5.1
1994-95	61,13,929	2,96,680	5.1
1995-96	65,74,005	4,60,076	7.5
1996-97	68,42,598	2,68,593	4.1
1997-98	72,60,418	4,17,820,	6.1
1998-99	77,05,520	4,45,102	6.1
1999-2000	80,50,607	3,45,089	4.5
2000-01	83,99,443	3,48,836	4.3
2001-02*	88,21,095	4,21,652	5.0
2002-03*	92,27,833	4,06,738	4.6

* Provisional
Source: University Grants Commission

Table A-2 (a)
Growth in Arts and Science Colleges in Tamil Nadu

Year	Govt.	Aided	Self-Financed	Total	Enrolment	%Women
1993-94	56	132	54	242	280658	42.89
1994-95	57	132	72	261	304201	45.50
1995-96	58	132	90	280	326272	45.77
1996-97	58	132	114	304	325621	49.78
1997-98	58	132	150	340	331900	51.70
1998-99	60	133	172	365	349963	52.15
1999-2000	60	133	192	385	401631	51.77
2000-01	60	133	247	440	420174	51.07
2005-06	60	133	251	444	443000	52.01

Source: Tamil Nadu Policy Notes
Anandakrishnan (2004)

Table A-2 (b)
Growth in Engineering Colleges in Tamil Nadu

Year	Government	Aided	Self-Financed	Total	Intake
1996-97	7	3	71	81	20250
1997-98	7	3	76	86	21500
1998-99	7	3	104	114	28500
1999-2000	7	3	113	123	30750
2000-01	7	3	150	160	40491
2001-02	7	3	212	222	55500
2005-06	8	3	254	265	80417

Source: AICTE

Table A-3
State-Wise Students Enrolment in Universities and Colleges: 2001-2002* and Population Data**

State	Total Enrolment	Women %	Population (MN) 2001	Total Enrolled per MN Population	Women Enrolled per MN Population
Andhra Pr.	7,04,075	39.1	75.728	9297	3635
Arunachal Pr.	5,832	29.7	1.091	5346	1588
Assam	1,94,245	40.5	26.638	7292	2951
Bihar	4,79,035	23.0	82.879	5780	1329
Chattisgarh	1,43,906	36.5	20.800	6919	2525
Delhi	1,66,039	45.8	13.780	12049	5519
Goa	19,245	58.6	1.344	14319	8391
Gujarat	4,88,129	44.3	50.597	9647	4274
Haryana	2,39,217	40.5	21.803	10971	4444
Him. Prad	86,319	42.7	6.077	12928	6065
J & K	55,603	47.0	10.070	5522	2595
Jharkhand	1,91,413	30.5	26.910	7113	2170
Karnataka	5,37,025	39.9	52.734	10184	4063
Kerala	2,40,038	60.0	31.839	7539	4523
Madhya Pr.	4,50,745	37.0	60.385	7465	2162
Maharashtra	12,20,167	40.0	96.752	12611	5162
Manipur	35,424	44.3	2.389	14828	6590
Meghalaya	27,271	47.9	2.306	11826	5665
Mizoram	10,345	46.7	0.891	11610	5428
Nagaland	11,460	38.7	1.989	5761	2166
Orissa	3,41,761	34.6	36.707	9310	3221
Punjab	2,33,745	52.9	24.289	9624	5091
Rajasthan	3,41,198	32.6	56.473	6042	1970
Sikkim	3,808	40.3	0.541	7039	2841
Tamil Nadu	6,97,343	44.9	62.111	11227	5041
Tripura	19,215	40.8	3.191	6022	2558
Utter Prad	11,00,887	35.4	166.053	6611	2546
Uttaranchal	1,08,594	40.0	8.480	12805	5122
W. Bengal	6,20,372	39.3	80.221	7733	3039
A & N Islands	1,943	57.8	0.356	5458	3154
Chandigarh	30,882	55.5	0.901	34275	19023
Daman Diu	536	47.0	0.158	3392	1595
Pondicherry	15,278	52.6	0.974	15785	8250
Total India	88,21,095	39.84	1027.015	8589	3422

Source: Anandakrishnan (2004)

Table A-4
State-Wise Students Enrolment*
in Universities & Colleges: 2002-2003

S.No.	State/UT	Total Enrolment	Women Enrolment	Women %
1.	Andhra Pradesh	7,51,476	2,95,330	39.30
2.	Arunachal Pradesh	5,439	1,577	28.99
3.	Assam	2,01,132	81,458	40.50
4.	Bihar	4,94,035	1,17,628	23.81
5.	Chattisgarh	1,52,813	56,082	36.70
6.	Delhi	1,72,218	79,220	46.00
7.	Goa	19,437	11,371	58.50
8.	Gujarat	5,19,021	2,29,483	44.21
9.	Haryana	2,49,118	1,02,138	41.00
10.	Himachal Pradesh	89,914	38,383	42.69
11.	J & K	59,599	28,071	47.10
12.	Jharkhand	1,97,349	59,994	30.40
13.	Karnataka	5,57,645	2,27,846	40.86
14.	Kerala	2,51,157	1,50,682	60.00
15.	Madhya Pradesh	4,74,813	1,76,630	37.20
16.	Maharashtra	12,58,195	5,15,868	41.00
17.	Manipur	36,379	16,115	44.30
18.	Meghalaya	29,165	13,970	47.90
19.	Mizoram	11,240	5,249	46.70
20.	Nagaland	12,339	4,788	38.80
21.	Orissa	3,45,113	1,23,171	35.69
22.	Punjab	2,43,743	1,28,411	52.68
23.	Rajasthan	3,63,172	1,17,416	32.33
24.	Sikkim	4,103	1,654	40.31
25.	Tamil Nadu	7,13,045	3,21,583	45.10
26.	Tripura	20,145	8,219	40.80
27.	Utter Pradesh	11,77,810	4,52,279	38.40
28.	Uttaranchal	1,15,318	46,127	40.00
29.	West Bengal	6,48,178	2,55,382	39.40
30.	A & N Island	2,015	1,164	57.77
31.	Chandigarh	33,942	18,838	55.50
32.	Daman & Diu	587	275	46.85
33.	Pondicherry	18,178	9,562	52.60
	Total India	92,27,833	36,95,964	40.05

BRIEF NOTE

COMMERCIALIZATION AND PRIVATIZATION OF HIGHER EDUCATION

Jayati Ghosh

This brief note is intended only to raise some issues of current concern regarding policies, problems and prospects for higher education in India today. It does not provide a thorough consideration of the subject, which is extremely complex and clearly deserves much more extensive study.

THE CONTEXT

There are some important facts, which should form the background to any such consideration.

Higher education in India is already elitist as only 6-7 per cent of school entrants reach the university system. These represent, for the most part, a social segment which is already privileged in terms of receiving access to better quality primary and secondary education. These students are also dominantly from urban, upper or middle classes and non-backward communities/groups.

This is not because only this small proportion of the population desires further study – rather, there is huge excess demand in the system, with literally hundreds of thousands of students seeking to occupy the limited number of seats that are available, especially in certain streams that are currently perceived as more attractive for future job prospects.

This has led to the proliferation of private institutions, both recognised and unrecognised, which cater to the vast demand for higher education. This is an effective privatization, which is ongoing. This is mainly because of the inadequate availability of seats in public institutions, since thus far the private institutions (with a few exceptions) have had relatively little success in establishing themselves as among the best or most desirable places for new entrants.

This means that there is a strong system of rationing in operation in higher education, and especially for the public institutions recognised to be among the best. This rationing

is not really based on "quality" or "merit", since the previous access to education (and even to private tutorial colleges which are no more than teaching shops) is typically critical in determining performance even in "national" entrance examinations. In many of the newer privately run institutions, where entrance is based on capitation fees, the rationing is effectively based on income and therefore excludes needy but possibly more talented young people who cannot afford to pay.

In addition to problems of inadequate quantity, there are enormous problems of quality in most of our institutions of higher learning, including the public ones. Apart from a relatively small number of institutions of excellence, most of our universities, colleges and other institutes suffer from severe problems of inadequate facilities for both students and teachers, uneven quality of teaching, insufficient monitoring to ensure that classes are held and attended regularly, etc. Some of these reflect on the lack of public resources directed to higher education, resulting in minimally adequate infrastructure (such as basic teaching equipment, libraries and so on) often not being provided. But there are also problems of ensuring that the facilities that are provided are used to the best effect.

There is a growing problem of ensuring good quality faculty for teaching and research in many of the institutions. This problem is especially acute in crucial areas, such as basic sciences, humanities and arts disciplines, because less young people are attracted to these streams in view of their lower marketability and apparently lower social valuation placed upon them in the current environment. In other areas, such as management, law and medicine, the possibility of very lucrative non-academic activities being available makes it difficult to recruit teachers in these areas.

PROPOSED SOLUTION

These problems are well known and widely recognized. However, they have led to differing responses in terms of appropriate policy responses to deal with them. Everyone is agreed that public expenditure on higher education needs to go up substantially, and this is clearly one issue on which continuous pressure must be placed upon the government. It is also the case that public funding alone will not be sufficient to provide socially desirable levels of good quality higher education even in the medium

term. Once this has been accepted, there are very different ways of approaching the set of problems that have been identified above.

One set of solutions, which is currently being advocated, deserves serious consideration because it reflects a certain understanding of the system that has substantial acceptance in official circles as well as among corporates. Some features of this were already outlined in the Birla-Ambani Report which was presented to the previous NDA government, and there are other votaries of this strategy at present. The three main elements of this strategy can be briefly stated as follows:

Institutions of higher education (both public and private) should be given the freedom, and should be encouraged to raise their own resources as far as possible. To this end,

- Universities/institutions of higher learning should have the freedom to determine fees, with some conditions such as need-based admission and scholarships to needy.
- The UGC should not penalise institutions that raise their own money by cutting their grants-in-aid.
- University foundations (societies/trusts) should be allowed to save/invest money for future use and build corpuses through donations. This requires tax and other laws relevant for societies and trusts to be altered so that endowments can be developed.
- Constraints on fund raising should be removed and professional fund raisers should be allowed to be hired.
- Instruments should be created within universities for financial and portfolio management, etc.

It is necessary to accept hierarchies and differentials in pursuit of excellence. This can have the following implications:

- Three categories of institutions could be recognised: world-class universities; state universities; and autonomous colleges, created by separating the currently affiliated colleges of universities.

- Salary differentials of faculty should be allowed (a) across institutions; (b) across faculties, so that those faculties that are unable to hire people because of higher market earnings in their profession (such as, say, dentists and doctors, lawyers or management professionals) should be able to offer higher salaries than faculties where no such competitive pressure exists; and (c) within faculties, so that individual faculty members can negotiate their own salaries and faculties can offer some people higher salaries to attract them.

Grant disbursement to universities should be conditional on research conducted, and research outputs by universities. Disbursement should not be dependent only on teachers' salaries. There should be greater linkage between universities and industry with respect to research conducted.

ASSOCIATED PROBLEMS

It is possible to have a number of difficulties with this strategy, based on a differing perception of how to resolve the problems of higher education in a socially desirable and more inclusive way. Some potential areas of disagreements are listed below:

- There are large externalities involved in the provision of higher education, and there is no country in the world where user fees are expected to raise the cost of providing such education. While there may be a case for periodic revision of students' fees, it cannot be the case that universities should try to recover costs of provision from students' fees. Further, the presumption that institutions (especially private ones) will behave in a responsible fashion and ensure that there are enough poor and needy students who are provided scholarships is over-optimistic; given the experience we already have with private hospitals that typically fail to meet their obligations with respect to poor patients, etc. If this is repeated in higher education, such a move is likely to exclude poor and backward class (including SC/ST and OBC) students who are already grossly under-represented, and even middle class students, which would not only be socially unjust but also inefficient and potentially disruptive.
- While there may appear to be no problem with giving freedom and easing conditions for raising funds by institutions, but if this is made a priority, it may

give rise to behaviour that focuses more on activities that are likely to raise money rather than pursue the basic goals of higher education and meet social needs which are not immediately recognised by private donors.

- It is not clear that salary differentials across faculty (rather than increasing remuneration of all teachers in higher education) are the best way of ensuring quality faculty. Recognition of such "hierarchies" is problematic not only because it is inegalitarian and excessively market-driven. This can also have very severe negative implications for collegiality which is the basic principle underlying the effective functioning of faculty in higher education. It will also operate to reduce both the attractiveness of higher studies and the status of faculty involved in less "marketable" areas such as for example, basic sciences, social sciences (excluding economics), humanities and philosophy. Besides being unfortunate in itself, this would be very adverse for the health of a university and the promotion of liberal arts education in general. Further, it would create incentives for the young which would rely too much on current market forces and not take into account the current and longer term requirements of society in general.

  Many eminent scholars have contested the argument that salary differentials are necessary to encourage "the best" to come and teach in universities in India. Instead, they have emphasised the importance of academic and other freedoms, social dignity, physical facilities, and so on. They have pointed to the inability of some of the private institutions to attract good faculty despite offering much higher salaries.

- The creation of new institutions should not imply reduced resources for existing institutions; rather upgrading, improving and revitalising existing institutions should be a higher priority. This is especially important because the general tendency of government in the past has been to shower money on new "flagship" projects while neglecting established institutions that are therefore run down. While good facilities are important, it may be that improving facilities in existing institutions would have a greater marginal effect. In any case, if new institutions are planned, the availability of supporting

infrastructure in the locality that would attract good faculty should also be considered.

Explicitly recognising a "caste system" may also be counterproductive in terms of raising the quality of the vast majority of higher education institutions that are not recognised as "world class". This may then create both psychological and financial difficulties. This is particularly important since the addition of the proposed "world class universities" would scarcely ameliorate the gross under-representation of lower income school leavers (including from the backward classes and minorities) in higher education.

- While there is certainly scope for ranking by independent agencies, which tends to happen anyway (e.g. newspapers and journals often carry out such exercises), there are several dangers in allowing a free-for-all in which market determines which is best. Problems of asymmetric information are especially evident in such services. In particular, these give rise to a moral hazard problem whereby innocent students may lose out by paying out large sums to fly-by-night operators who are able to spend more on advertising than on the process of imparting education.

- A basic point against the overall thrust of this set of proposals is that it involves the creation of market-driven differentials, which may well find a powerful constituency. It is also very likely that there will not be a corresponding increase in public funding as has been proposed, since this is more difficult to push through within what is seen as a fiscally constrained situation. The consequence will therefore be effective privatization of a significant part of higher education, which is likely to make things worse by reducing access and skewing available resources even further towards currently marketable subjects away from basic research and teaching of less marketable areas.

AN ALTERNATIVE APPROACH

Obviously, it is not enough to find difficulties with a set of proposed solutions; it is necessary to suggest alternative ways of dealing with the problems that have been described above. Clearly, to do so will require identifying the specific nature of the

problems in more detail, and a closer examination of the implications of particular strategies.

- For example, while it is clearly the case that private activity in education must continue and be encouraged, it must also be made clear that this cannot be for profit-making purposes, in any disguised form. Further, the entry of the private sector cannot be seen as a solution to various problems of quantity and quality, given our own experience in this regard. Currently, students and faculty very often prefer government institutions or institutions that work like government institutions to many private institutions. Many of the students graduating from private institutions are very poorly trained. It needs to be investigated as to why this is so, and the reasons for the success of some private institutions need to be studied and identified so that official policy would be directed towards replicating the positive experiences.

- It is also becoming clear that many colleges are not taking up the offer of autonomy by the UGC even though this would give them greater freedom. Why is this the case? What are the requirements for ensuring that such institutions can actually benefit from more autonomy?

- Research support and infrastructure needs to be beefed up substantially, especially to improve many of the existing institutions and upgrade their faculty. State financing along with enabling mechanisms for institutions is a combination that can be worked out.

- Is it possible to develop structures of incentives (for example, fiscal incentives) that would encourage the expansion of certain types of socially desirable expenditure on higher education?

- It has been correctly noted that the problems facing the higher education sector need to be analysed in the light of the objectives of higher education. Different approaches may be necessary depending on whether one is concerned about the quality of teaching or the quality of research. Also the problems may be different for the sciences than in the arts, and across particular disciplines.

- Often it is possible to attract good faculty at the starting level but not at higher levels. This needs to be investigated further and various incentives – not just pay packages (which would affect the ratio of lowest to highest salaries within the range) but other factors that inhibit mobility (such as problems of housing, schools for children, medical facilities) could be considered. Also non-monetary incentives – such as more frequent opportunities for sabbaticals etc, better facilities for research, more access to books, journals and research materials – should be thought of.

- It is important to develop effective and implementable ways of increasing the access of socially marginalised groups as well as more needy students to higher education. It is also necessary to ensure low dropout rates in such categories. This is possible only if the institutions take an active interest in providing bridge courses, special language training, remedial activities, etc. that would allow such students to counterbalance the effects of a very different educational background.

- The issue of having trained administrators who can deal with the task of effectively managing very large institutions is equally important that is often overlooked.

- The current diversity in educational institutions is valuable and can be a source of strength. It should not be changed for the sake of uniformity alone, such as in forcing all universities to have a semester course system even where it may not be appropriate. However, some standardization of admission and selection procedures may be a good idea.

- Some of the areas which are critical to long-term goals (including creation of new knowledge and new technologies) are poor in terms of fund-raising potential e.g. mathematics and languages. Therefore, one needs a mechanism to disburse funds, private or public, which takes into account these long-term interests of an academic institution. If private donors are to be encouraged, one possibility is to create an education fund by industry - perhaps to provide funds in a specific area, but essentially administered by professional/academic bodies.

(The Petroleum Research Fund of the American Chemical Society is a specific example.)

- Private sector funding might perhaps be best used to create new research and development laboratories. It is only recently that industry in India has started considering investing seriously in research; this should be encouraged. This is possibly one area where "private-public partnership" might encourage industry to invest in long-term/blue skies type of research and complement the work being done in academic institutions and CSIR laboratories.
- Our concern should be with trying to understand the type of institutional structures that facilitate knowledge production and dissemination. This is important because we need to enhance the average levels of competence significantly before we can expect spectacular peaks of achievement. It is not a priori obvious that either corporate or government funding by itself will ensure that the best structures for such activities will naturally follow. For all their many flaws, our existing institutions which represent more than half a century of public funding do have some positive features. For example, they have a very wide reach in terms of geographical dispersion and economic access (if colleges granting degrees are included). For more than half a century, they facilitated the formation of enough skilled manpower that we could enter some key sectors (but certainly not all) of the new economy. They also more or less emulate in structure the successful models of universities and research institutions elsewhere in the world. Before leaving them to decline, it is important to think of ways in which they can adapt to a changing world.

TOWARDS AN APPROPRIATE REGULATORY FRAMEWORK FOR A SUSTAINABLE SCHEME OF PRIVATE HIGHER EDUCATION IN INDIA

N.R. Madhava Menon

Education is primarily a function of the government. However, it is impossible for any government, particularly of a large developing country like India, to undertake the task entirely by itself. It is, therefore, natural that the function is delegated to private and joint enterprises subject, of course, to certain conditions intended to ensure wider access, better quality and prevention of commercialization. The Supreme Court recognized this principle in the Unnikrishnan Case (1993(1) SCC 645) and evolved a formula to help operationalize the scheme of public-private partnership in professional education. Of course, the scheme had to be modified again and again through a series of judicial decisions and legislative amendments in view of the need to reconcile competing interests and to promote social justice in a critical sector of development and human rights.

INDIAN CONSTITUTION AND PRIVATE HIGHER EDUCATION

It is important to keep in mind the Constitutional mandate when one talks about an appropriate regulatory framework for Private Higher Education (PHE). Today, PHE is also a matter subject to negotiations under World Trade Organization. The Members of the Council for Trade in Services are now engaged in liberalization of trade in educational services and whatever is settled by India at the end of the negotiation would become part of the regulatory framework in this regard. It is not easy to speculate the scheme likely to emerge under the global treaty; nevertheless, it is certain that whatever be the final outcome, private education will continue to supplement and possibly even displace to some extent the dominance of public education systems in future.

Before looking at the mandate of the Indian Constitution, it is worthwhile to reflect on certain trends evolving in liberalization of trade in services generally and education/training services in particular.

Firstly, the increasing use of information-communication technology, including Internet and World Wide Web, has revolutionized the mode of delivery of educational and training services, making direct physical regulation less and less relevant. Distance education across boundaries through virtual classrooms is a reality today. Educational institutions are teaming up with IT service providers to take education and training at the doorstep of consumers. Knowledge economy will endeavor to perfect this mode of delivery and market it to aspiring students, job-seekers and self-employed persons, enabling them to acquire the knowledge and skills at a pace suited to their convenience. This inevitably will reduce the scope of regulation in terms of physical facilities (campuses, buildings, classrooms, teachers, etc.) and establishment systems.

If higher education is intended to include education beyond the secondary school stage, there are today a number of statutory bodies like the University Grants Commission, the AICTE, the BCI, the MCI and the respective enactments under which universities are established already occupying the role of regulation. They do control private higher education in order to maintain educational standards and to ensure fairness in administration. These regulatory systems with some modifications will remain as they are intended to promote certain public policy goals having constitutional sanction.

Every country is discussing today on how and on what terms foreign universities and educational/training service providers can be allowed to operate from their territory. Meanwhile, different models of partnerships are being developed by Indian universities with foreign educational institutions creating some degree of confusion on who regulates what and how. A contractual regime between the Indian and foreign partners seems to be coming up in some sectors of higher education and training. Government approvals are either disregarded or manipulated on a case to case basis. Franchise arrangements are resorted to in many cases.

In short, higher education is passing through a critical phase in which the parameters for transitional regulation are not clear either to the consumer or to the entrepreneur and perhaps even to the regulator.

Now let us turn quickly to a few provisions of the Indian Constitution which ostensibly will determine the parameters of any new regulatory regime which might emerge out of the present transitional phase. Listed below are some of the relevant constitutional provisions:

1. Right to Equality (Article 14, 15, 16)
2. Right to Education (Article 21-A)
3. Cultural and Educational Rights of Minorities (Article 30)
4. Directive Principles of State Policy (Articles 38, 39, 41, 46)
5. Right to Property (Article 300-A)
6. Entries in List I of Seventh Schedule (Item 65, 66)
7. Entries in List III of Seventh Schedule (Item 25, 26)

These provisions not only enable the State to legislate on matters relating to education but also obligate the State to regulate educational services in such manner as to achieve the public policy goals intended thereby. The meaning, content and scope of these provisions are interpreted by the Supreme Court from time to time clarifying the authority of the State vis-à-vis non-state entities and the rights of citizens in the educational sector.

CHOICE OF MODELS FOR REGULATORY FRAMEWORK

There are at least four different sets of regulatory arrangements likely to operate in private higher education in future. They are not exclusive; they do overlap and may have differential impact on the promoters and providers of higher education and training. The four sets of regulatory system may briefly be categorized as follows based on the nature and function of regulation in the scheme of things:

State Imposed Regulations: This will largely be in relation to admissions, fees, subsidies, competition, fairness and other public policy issues.

Professional/Discipline-Induced Regulations: This will be in relation to eligibility, curriculum and licensing requirements as determined by independent professional bodies duly constituted with regulatory jurisdiction.

Regulations Arising Out of Market Compulsions: The market will be a powerful regulator in a liberalized regime in future where the consumers stand to benefit in cost and quality if competition is maintained.

Self-Imposed Regulations: In the changed context, service providers will be persuaded to build brands for educational excellence and towards this a series of regulatory steps and self-discipline may have to be cultivated, including ethics for organization, administration and delivery of services.

India is not a desired destination today for higher education for students from other countries. While over a lakh of Indian students every year migrate to other countries seeking higher education, the country receives well below one-tenth of that number and that too from countries in Asia and Africa only. One needs to ask why it is so despite India having a long tradition of English-based higher education in over 300 universities and institutes at comparatively cost-effective prices. The politics and economics of higher education, coupled with unprincipled interventions from state agencies, have eroded the dynamism and competitiveness of governing structures of educational institutions. For several decades, curriculum remained unrevised. Teaching was geared more to examinations rather than to acquisition of knowledge. The public discourse on higher education has been dominated to the exclusion of all other aspects by considerations of equity, equality and social justice. The post TMA Pal debate (2002 (8) SCC 481) hijacked the educational agenda to the differing approaches of the Judiciary and Parliament on the nature and scope of State authority to regulate admissions through reservations (apparently for less meritorious students identified by State) and to decide the fee structure of private unaided educational institutions. In fact, media reports say that State is seeking to regulate similarly the admission and fee structure of foreign universities also as and when they are allowed to operate in India.

In the above scenario, I would like to submit a personal experience with private professional education in law, which appears to provide some guidelines in designing a model regulatory framework. The experiment in professional education at the National Law School accommodates access with quality as well as autonomy with accountability.

University education in law is regulated by multiple agencies, including UGC, the Bar Council, the Government and the respective university authorities. For a variety

of reasons, the quality of so-called legal education in the 1970s was found to be utterly poor despite the regulators and the regulations. Several attempts at curriculum reform and stricter controls by the Bar Councils yielded no substantial results in terms of quality, professionalism and competitiveness. It was a state of equality in mediocrity. To redeem the situation, the Bar Council of India itself decided to establish a model law school in the private sector or joint sector to act as a pacesetter for legal education reforms. A self-financing, privately managed Law University, independent of government control, the first of its kind in the country got established in 1986 in Bangalore under the name of National Law School of India University. Today there are seven such Law Universities in as many states and three more are about to get started in the coming academic year. Everyone concerned with law education applaud the initiative which changed the course of higher education in law, making it internationally competitive and socially relevant attracting the attention of industry, government and the public in the legal sector.

I had the good fortune of being associated with this reform movement in higher education for the last 25 years. It has influenced curriculum development even outside the National Law Schools and compelled the private un-aided institutions to improve quality of education and training they offer. The scheme does honour the State's reservation policy though it would not allow the admissions to be regulated by the State. It assiduously maintains its autonomy in academic and governance matters and some of them are tying up with foreign universities on their own terms. The experiment is now two decades old and worth looking into when models are being considered for regulating private higher education in the liberalized regime.

In conclusion, one can confidently say that private higher education has a great future in the Indian scenario. PHE will bring in competitive merit and force periodical changes in curriculum, pedagogy, examination and governance across the entire educational sector. However, the State will have to negotiate equality and equity through a fair, transparent-participatory regulatory system which will be driven more by consumer interests rather than administrative exigencies and political considerations.

PRIVATISATION AND COMMERCIALIZATION OF HIGHER EDUCATION IN INDIA

Sudhanshu Bhushan

As per the 11th Plan projection 2007-12 of the Planning Commission, the enrolment in higher education needs to be raised from Rs 12.5 million to Rs 18.7 million to achieve the 15 percent GER. This implies an additional financial requirement of roughly Rs100 billion in general and Rs200 billion in technical and professional education by 2012. At present the budgetary provision for 2004-05 stands at a little less than Rs100 billion in general and Rs10 billion for technical and professional education. This means there is a huge gap in the public financing of higher education, to the tune of Rs100 billion in general education and Rs190 billion in technical and professional education. Future scenario, therefore, points to the demand for steep rise in the public expenditure in higher education. To the extent gap in public financing continues to exist, the expenditure gap (excess demand) is bound to be increasingly met with private financing.

HISTORICAL CONTEXT AND PRESENT TRENDS

Historically, private higher education in India was guided by philanthropy to meet the social demand, albeit arising from the elite section. The transition to mass higher education, mostly catering to the middle class, was supported by state investment. However, in recent times, mainly because of the expenditure gap, there has been a new trend towards privatization with some distinct characteristics. Trend towards private higher education may be categorised as follows: (i) move towards self-financing courses in (a) government and (b) government aided institutions; (ii) higher number of self-financing institutions in professional disciplines; (iii) granting a status of deemed universities to increasing number of private institutions; (iv) increasing number of private universities being established by state legislation; and (v) multiple private providers of higher education not recognized (affiliated) by the university system and quite often collaborating with foreign universities.

Analytically speaking, category (ii), (iii) and (iv) were dominated by private in terms of management as well as finance, and can be distinguished from category (i-a) where pure government management and finance exist and category (i-b) where government finance and private management exist. Category (v) is newly emerging and is guided by pure profit motive. In terms of management, all categories except (i-a) are private, whereas in terms of finance, categories (ii) to (v) may be termed as private. However, all the categories, except (v), are within the purview of UGC and respective professional councils for maintaining standards in higher education. For all the categories of institutions, whether public or private, state plays a major a role in terms of access, equity and quality by means of rules, policies and investment decisions.

CHARACTER AND PROCESS OF PRIVATIZATION

Commercialization of education refers to the process of private ownership and management of educational institutions whereby investment takes place with a view to earn profit. Historically, education emerged out of the social need and even though it was privately managed and financed, profit as a motive for financing education was almost completely absent. In fact for the elite class, education was a means to integrate in the social and economic life of the nation. It meant that rather than profit, social and economic return was the most important driving force for private finance. Education so far was not considered as a commodity to be traded in the market. It was a social good. Later it was considered as a public good as the government took over the major responsibility of financing and managing education on the premise that production of education leads to large scale externalities or economic benefits to the society. This indeed was the case as education became the means of upward mobility, besides being the means of earning.

The contradictions emerged when a true theoretical position of education as a public good could not be sustained empirically due to state's inability to meet the excess demand for higher education. Private investment in education again acquired importance due to high market demand. In recent times, philanthropy was not the motive behind private investment. The present reality is much different and changed.

The recent privatization in education cannot be seen in isolation. The process of privatization and liberalization of economy and the forces emanating out of

globalisation induced investment in education by a host of players, now in most cases with a view to earn income. The interested private investors in education were individuals and families as well as corporate enterprises. The persons associated with individuals and family based enterprises were from diverse backgrounds. They were educationists as well as non-educationists. Former category consisted of educational trusts, Christian missionaries, charitable institutions and individual scholars. Among the latter category were politicians, retired personnel and unemployed youth. Non-resident Indians also began to show interest in education. Quite often diverse suppliers of education invested in a chain of educational enterprises.

The main characteristics of higher education system in India have been that it was centrally controlled. The control was in terms of granting the authority to confer a degree and the mechanism of allowing institutions such authority. For example, universities, whether public or private, could be established only by legislation. Colleges would have to be affiliated with a university. Similarly, deemed universities could be established only with the approval of central government and upon the recommendations of UGC. Although this permitted establishing control and somewhat limited expansion of private higher education institutions, in recent years in response to the demand for higher education and in view of limited expansion of government capacity, there was growth of institutions, mainly self-financing, within as well as outside the above framework of control. Control and limited state funding in higher education has led to exponential growth of not only unrecognized institutions but also foreign universities offering programmes in collaboration with such private institutions to fulfill excess demand in higher education.

In the Indian context, the process of privatisation has been full of ambivalences and ambiguities in terms of policy and practices. The dilemma is that because of fiscal crunch there could be either limited public expansion, or expansion with a fall in quality in higher education. Still the country may not be willing to direct its policy towards managing privatization. As a result autonomous liberalization might produce a chaotic growth thereby deepening the crisis of directed growth of higher education institutions. In fact lack of a realistic policy towards private sector has resulted in judicial activism and has created further dilemmas. The Supreme Court's intervention

has created dilemmas on account of autonomy and commercialization, on the one hand and on the issue of autonomy and the denial of equality of opportunity, on the other.

JUDICIAL INTERVENTIONS

Historically, in the phase of mass higher education, after an initial spurt in public investment in higher education, the role of private sector in expanding supply in professional courses was increasingly dominant. The basis of expansion was 'capitation fees' which was challenged in the case of Miss Mohini Jain vs. State of Karnataka and others (1992). The judgement ruled against capitation fees on the ground of denial of educational opportunities, which also meant denial of fundamental right in more than one ways. JP Unnikrishnan and others vs. State of Andhra Pradesh and others (1993) further upheld that 'commercialization of education was not permissible and it was opposed to public policy and Indian tradition and the charging of capitation fee was illegal'. It determined a framework of control of admissions and fees for pure self-financing institutions which Government of India and other regulatory councils followed and the system worked well. Later, TMA Pai Foundation and others vs. State of Karnataka and others (2002) noted that the control framework adversely affects the autonomy of private institutions and prohibits the growth of private institutions in cost intensive vocational and technical areas. It thus permitted autonomy in fixing fees subject to some scheme of accountability. It opposed 'profiteering' but permitted a 'reasonable revenue surplus-- for the purpose of development of education and expansion of the institution'. Islamic Academy of Education & others vs. State of Karnataka and others (2003) clarified the meaning of autonomy of admission & fees delivered in the Pai Judgement. The wave of rising fees leading to *defacto* commercialization and right to education as fundamental right providing scope for equality of educational opportunities, therefore, came into conflict with each other. The question is how to resolve the dilemma arising from autonomy and commercialization.

SOCIAL CONCERNS

As noted above, the issue of social accountability assumes importance in the form of equality of educational opportunity, which may be eroded by *de facto* commercialization. The phase of expansion with a dominant role of public investment

in higher education ensured protection to special focus groups which seems to be endangered with privatization and recent de facto commercialization. The issue is also controversial in view of Supreme Court Judgement (12.8.2005) that reservation cannot be imposed in self-financing institutions on the ground of 'encroachment on the right of autonomy of self-financing institutions' unless there is legislation to this effect. Subsequently, 93rd Constitutional amendment (20.1.2006) asserted that except in minority institutions, self-financing institutions are obliged to follow the reservation policy. Hence, the point is whether autonomy comes in conflict with the policy of affirmative action of the state and if so how can this conflict be resolved?

The emergence of GATS in 1995 and subsequent developments point to the commodification of higher education. The entry of foreign universities in India is the recent phenomenon. At present foreign universities are tying up mostly with unrecognized, pure private educational institutions which have sprung up in response to the market demand. There is no regulation to control or provide a direction to their activities. This is leading to commercialization. The concern is expressed that cross border higher education presents opportunities, yet the unregulated and commercial phenomenon associated with them completely does away with the policy of maintaining high standards as well as the policy of affirmative action of the State. Entry of foreign universities needs to be regulated by controlling the parasitic growth of foreign universities on private unrecognized sector.

COMMERCIALIZATION: PURE AND HIDDEN

Can it be said that the present phase of privatization leads to commercialization of education? An answer to the question depends on whether private educational institutions are meeting the high cost of providing education or they are engaged in profiteering? Even earning a surplus income is not considered as profiteering in so far as it is meant to upgrade quality or to meet the increasing access to education. Commercialization of education is thus said to occur when (i) surplus over and above the cost is being generated; and (ii) even if surplus arises, it is purely appropriated as investor's income and is not invested in education[1]. This is a liberal definition and

[1] This is how commercialization is defined in TMA Pai Judgement.

empirically difficult to prove. This means commercialization will quite often continue to be covert rather than an overt one in the present phase of privatization.

The form which pure commercialization may take pertains to the price being determined by market forces of demand and supply. In the long run, market clearing price will settle down giving the efficient outcomes, although efficiency may not be consistent with equity. In this framework, only those able to afford the market price will satisfy the hunger for education whether out of own income or loan from relatives or banks. The argument is that since individual will get sufficient entitlement to future income through education, it will be worth the price charged. Indeed there have been advocates of pure commercialization mainly from the corporate sector. They see corporate world as the universe and either ignore or are unaware of the wider objectives of education. The argument is based on pure efficiency criterion sometimes based on the inefficiency of public education.

There are two variants among those who favour commercialization. Those who want commercialization without any regulatory discipline and those who argue that regulatory discipline based on quality is permitted, yet there should be autonomy in fixing fees, admission, recruitment of teachers, determining curriculum and course etc. Those who want no regulation argue in favour of market based accreditation to certify quality. Those who want regulation agree to have accreditation of programmes/institutions by the government.

DISCIPLINING PRIVATE HIGHER EDUCATION

The question arises why the covert commercialization is being allowed to continue? Why has there been lack of disciplining private higher education in India? Was it a conscious act? Was it allowed to happen to serve the vested interests? Can there be a regulatory discipline to check commercialization yet providing sufficient incentive to attract private investment?

At a deeper level, the answer is to be found in the nature of state. However, at the empirical level, the answer has to be searched in the powers and functions of the universities, regulatory agencies and the governments, both at the central and at the state level.

At the level of universities, severely constrained by resources, it was often lucrative to introduce self-financing courses to raise user charges beyond the required limit. In fact, UGC often encouraged universities to introduce self-financing courses. The surplus generated by high user charges by the institutions/universities was not always utilized to enhance the quality. In the strict sense it is not commercialization as public institutions are accountable to the public, yet there is an element of hidden commercialization by public institutions so far as fees exceeded far above the cost of self financing courses. Institutions affiliated with universities - government or aided – should follow the norms regarding admission, fees, quality and equity parameters laid down by the university to prevent commercialization. UGC may issue the guidelines on above to the universities so that self-financing courses are regulated properly. It would also be desirable for the universities to present an annual report on self-financing courses giving all the necessary information to the respective state governments and the UGC.

There are large numbers of private self-financing institutions that are affiliated to the universities. Governments do not fund them and, therefore, it is argued that the self-financing institutions must have the autonomy to fix fees. Potentials of commercialization of higher education in the sense of 'profiteering' is highest in this case. Disputes arise because students, universities and state governments want that there must be accountability of these private institutions with regard to fees, admission, quality and equity parameters. On the other hand, private institutions want autonomy under the provisions of the Constitution of India vide Article 19 (1) (g) to practice any profession, or to carry on any occupation, trade or business.

The Constitution of India vide Article 19 (6) provides that 'Nothing in sub-clause (g) prevent the state from making any law imposing, in the interests of the general public, reasonable restrictions on the exercise of the right conferred by the said sub-clause...' Given this provision of the Constitution, there is a need to legislate on reasonable restrictions on the autonomy of private institutions to make them fully accountable to the state. It is in the absence of such legislation that honourable courts have tried to maintain the balance between autonomy and accountability by imposing certain restrictions in terms of state level committees to determine admission and fees and

permitting monitoring of quality by the UGC/AICTE while at the same time allowing autonomy to raise resources. It is amply clear that legislative inaction only has permitted judicial activism. The only solution, therefore, is that a suitable law is enacted by the Parliament, which takes adequate care of commercialization.

There are two other categories of private self-financing institutions – deemed to be universities and private universities. Deemed to be universities are established under the provisions of Article 3 of the UGC Act. Most of the deemed to be universities are private self-financing institutions. Suitable law to be enacted by the Parliament for self-financing institutions should also be made applicable to the deemed to be universities.

The most interesting point to understand is what should be the guiding principles of such legislation? In my opinion all self-financing institutions are within the purview of university. Similarly, all deemed to be universities are within the purview of UGC. Hence, it would be in the fitness of things to empower the university and UGC to fix the fees for self-financing institutions and deemed to be universities respectively. University and the UGC should be empowered by the central legislation to constitute a committee to determine the fees in accordance with some principles. The decision of the committee shall be final and it will also review the fees at certain intervals. Private institutions will also have the power to appeal before the committee. A reasonable time period may also be specified to determine the fees. Every year a report relating to the fees of self financing institutions should be presented before the Assembly and the fees of deemed to be universities before the Parliament to ensure transparency.

Private universities are established by state legislature. There may be wide divergence in the fees as well as various other provisions in establishing private universities. To prevent the dangers of commercialization again the state government may be authorized to fix the fees for private universities. State government should be empowered by the central legislation to constitute a committee to determine the fees in accordance with some principles. The decision of the committee shall be final and it will also review the fees at certain interval. Private universities will also have the power to appeal before the committee. A reasonable time period may also be specified to determine the fees. Every year such report relating to the fees should be presented before the Assembly to ensure transparency.

It would be desirable to understand what could be other desirable 'restrictions' for admission and to ensure quality and equity parameters. A comprehensive legislation will be needed to incorporate those restrictions in such a manner that while privatization is promoted; the commercialization does not go along with it. If social accountability is imposed, the private institutions may be granted some reasonable concessions.

A last category consists of private providers of education who are unrecognized and independently or in collaboration with foreign universities are providing degrees, diplomas and certificates. This is also observed to be a highly commercialized segment. There is also an urgent need to bring suitable legislation for the entry of foreign universities, preferably in partnership with recognized universities -- central, state, deemed or private universities. The regulation of fees can then be automatically taken care of by central or state universities or by the central legislations relating to self-financing institutions and the private university.

To conclude, Centre must consider enacting three legislations relating to regulating fees, admission, quality and equity for self-financing, private and foreign universities.

PROGRAMME SCHEDULE

National Seminar on Privatization and Commercialization of Higher Education

(May 2, 2006, Venue: Conference Room 2, India International Centre, New Delhi)

<table>
<tr><td>0950 - 1000 hrs.</td><td colspan="2">Registration</td></tr>
<tr><td>1000 - 1015 hrs.</td><td colspan="2">Welcome & Theme Presentation
Prof Ved Prakash</td></tr>
<tr><td>1015 - 1025 hrs.</td><td colspan="2">Privatization of Higher Education: Opportunities and Anomalies.
Prof M. Anandakrishnan</td></tr>
<tr><td>1025 - 1035 hrs.</td><td colspan="2">Commercialization & Privatization of Higher Education
Prof Jayati Ghosh</td></tr>
<tr><td rowspan="3">1035 - 1300 hrs.</td><td colspan="2">Privatization and Commercialization of Higher Education</td></tr>
<tr><td>Presidium A
(Conference Room No. 2)
Concept, Equity and Quality</td><td>Presidium B
(Committee Room No. 1)
Governance, Resources, Autonomy and Accountability</td></tr>
<tr><td>- Justice R. Sachar
- Prof Abhijit Sen
- Shri P. R. Dasgupta
- Dr P.M. Bhargava
- Prof Javed Alam</td><td>- Shri Saiyid Hamid
- Prof G.K. Chadha
- Prof Tapas Majumdar
- Prof P. Balram
- Prof M. Anandakrishnan</td></tr>
<tr><td>1300 - 1400 hrs.</td><td colspan="2">Lunch Break</td></tr>
<tr><td rowspan="3">1400 - 1730 hrs.</td><td colspan="2">Privatization and Commercialization of Higher Education</td></tr>
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Concept, Equity and Quality</td><td>Presidium B (Committee Room No.1)
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<tr><td>1730 - 1755 hrs.</td><td colspan="2">Plenary Session (Conference Room No. 2): Presidium A & B</td></tr>
<tr><td>1755 - 1800 hrs.</td><td colspan="2">Vote of thanks
Prof Sudhanshu Bhushan</td></tr>
</table>

LIST OF PARTICIPANTS

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