Who's coming and why?
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While the Foreign Educational Institutions Bill is still awaiting discussions in Parliament, there is continued interest and curiosity about which foreign universities will come to India and how will the Bill influence Indian higher education?

Over the last decade, Indian higher education has witnessed three primary trends—growth of private institutions, increasing demand for professional education and widening regional disparity. These three trends will become stronger with the introduction of the Bill and more foreign universities with profit/revenue motives are expected to establish campuses in India.

Global higher education systems are diverse and within each system there are a wide range of institutions with varying missions and quality. However, there are two primary motives for institutions seeking to enter India—prestige or profit/revenue. Between these two extremes, there are many foreign institutions with a different mix of prestige and profit motives.

Building universities of excellence is a time-taking and incremental process. Once an institution has achieved a certain level of reputation, maintaining it at that level is quite a challenge. Thus, even the best universities are in constant quest to access indicators of prestige like knowledge, research and talent. This access directly translates into competitiveness for rankings, which strongly emphasise on internationalisation and research output. For example, Harvard and Yale are in the prestige-enhancing group and have categorically said that they will not offer degree programmes in India and hence their approach is to engage with knowledge creation and dissemination through non-degree partnerships and programmes.

At the other extreme, there are universities that seek profit/revenue and see India as a market with huge growth potential. Especially for public universities, this opportunity comes at a time when they are facing severe budget cuts from government and are hard-pressed to seek additional sources of revenue. Technically, not-for-profit public universities are not seeking profit, instead they are becoming "self-sufficient" by adding new sources of revenue. Likewise, many for-profit institutions, especially from the US, are keen to enter India; however, Indian regulatory requirements prohibit them to profit from education and hence they have to work-around the requirements. For example, Singapore's Raffles Education Corporation partnered with Educomp to establish a for-profit entity and offer education programmes for the masses, which are not recognised by local authorities.

The primary purpose of the Bill is "to regulate entry and operation of foreign educational institutions imparting or intending to impart higher education" leading to award of educational qualifications. Given the context and motives of foreign universities, more degree-offering programmes are expected to come from institutions seeking to enter India with the motive of profit/revenue as compared to prestige. The prestige-seeking universities will limit themselves to non-degree relationships and offerings only. The Bill will also add to the growth of private institutions, professional education and widening regional disparity.

Public university system in many countries, including the US, is in crisis and faces serious budget cuts. Hence, they are not ready to invest money in partnerships. Indian public universities also lack resources and entrepreneurial zeal, and are stymied by bureaucracy to engage with foreign partners. Thus, private institutions in India or corporate partners are more likely to engage in partnerships with the foreign public universities. For example, Indiana University and Georgia State University are US public universities that have partnered with private Indian institutions, OP Jindal University and National Management School, Chennai, respectively.

Indian engineering and management institutions have doubled to about 2,000 and 3,000 institutions from 2005-06 to 2009-10. This rapid growth represents the demand for professional, job-oriented degrees. As these programmes have a relatively higher employability, institutions also have a better pricing power in this segment as compared to arts, science and commerce courses. This means that foreign institutions
are likely to offer more programmes in engineering and management as compared to liberal arts and sciences. For example, recent partnership between Strathclyde University and SKIL Education, Carnegie Mellon University and Shiv Nadar Foundation, and Virginia Tech and MARG are all for professional programmes in engineering or management.

Foreign universities would concentrate on metro cities and states that have high demand, pricing power, accessibility and employment opportunities for students. This means that they are not going to start campus in regions that actually require quality institutions. However, foreign universities will be most appealing to students from tier-2 cities like Nagpur or Indore where students, especially females, aspire to go abroad but may not match up to the financial, social or academic requirements. However, foreign universities in India would not attract academically brilliant or financially well-off who would continue to go abroad in search of best international education, experience and exposure.

Foreign universities are eager to engage with Indian higher education despite the challenges. In the immediate term, foreign universities will be cautious and partner with private institutions, offer popular professional programmes and situate themselves in major cities. This means that it will take a long time before its impact is felt by the masses and the larger landscape of Indian higher education. However, foreign universities will certainly create new expectations of quality and professionalism, which will bode well for the sector and students.

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