



Internationalisation: Need for strategic presence of global educational institutions in India

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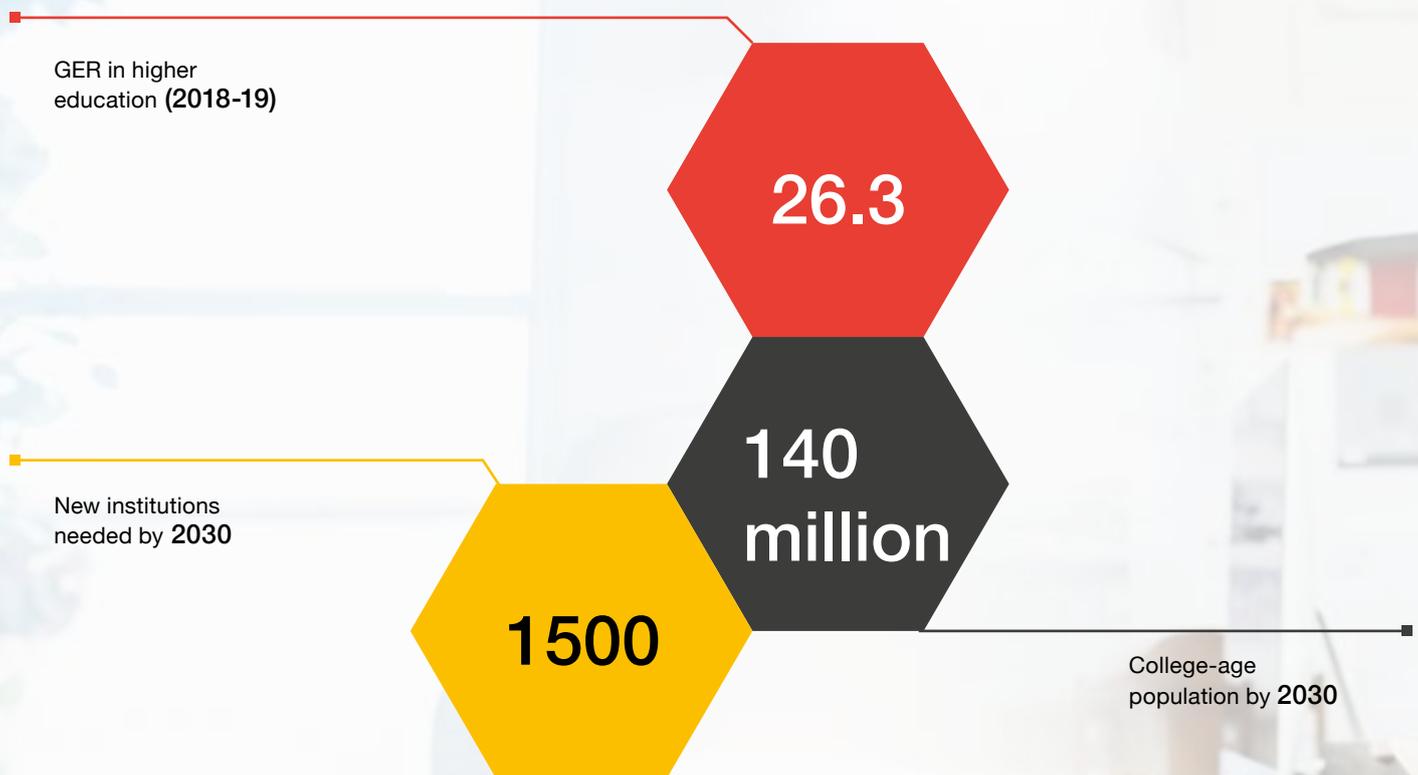


India's potential as a rich market for higher education

India has 993 universities, nearly 40,000 colleges and over 10,000 standalone institutions.¹ Despite the high numbers, many of India's educational institutions continue to face challenges in terms of availability of quality faculty, outdated curriculums, inadequate infrastructure, low levels of research excellence and low adoption of technology. The draft National Education Policy issued by the Government of India (GoI) in May 2019 also acknowledges these concerns.²

These factors, along with severe competition among students for admission in top institutions in India, has led to a large outflow of Indian students to foreign universities. India is currently the second largest source country for international students, with over 0.3 million Indian students spending USD 10 billion for their education abroad.³

Figure 1: Higher education potential in India



India's Gross Enrolment Ratio (GER) in higher education is on the lower side at 26.3%, though there is huge scope for increase.⁴ As per industry estimates, India will have 140 million people of college-going age by 2030 and another 1500 institutions would be required to accommodate their educational needs.⁵

1 MHRD – All India Survey of Higher Education (AISHE) 2018-19

2 MHRD - Draft National Education Policy 2019, https://mhrd.gov.in/sites/upload_files/mhrd/files/Draft_NEP_2019_EN_Revised.pdf

3 UNESCO Institute of Statistics (UIS)

4 MHRD – All India Survey of Higher Education (AISHE) 2018-19

5 UKIBC estimates, 2018 https://www.prsindia.org/sites/default/files/bill_files/Foreign_Educational_Institutions_Regulation_of_Entry_and_Operations_Bill__2010.pdf

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Need for strategic participation from top global institutions

The presence of top global higher education institutions can provide impetus to the much-needed transformation required by bridging the gaps in access to quality education and best-in-class learning experiences for students.

In this way, India can position itself as a regional knowledge hub, attracting students from other Asian and African countries, thereby supplementing the Government's 'Study in India' initiative.

In November 2015, the TSR Subramanian committee created by the MHRD for the 'Evolution of the New Education Policy' made the following recommendations:

“ Encouragement should be given to 'high quality' foreign universities and educational institutions to collaborate with Indian partners and establish an Indian presence. While the nature of cooperation and collaboration may vary, the foreign university should be in a position to offer their own degree to the Indian students, studying in India, which will be valid in the country of origin.⁷

The benefits of internationalisation have also been recognised by multiple policy documents issued in the last few years by GoI.

In May 2010, the Ministry of Human Resource Development (MHRD) introduced the Foreign Educational Institutions (Regulation of Entry and Operations) Bill, 2010 in the Lok Sabha.⁶ The bill aimed to provide a regulatory framework for the entry and operations of foreign institutions seeking to impart higher education in India.

This internationalisation sentiment was also echoed by the MHRD while contributing to the K Kasturirangan Committee report on National Education Policy, 2016:

“ Selected foreign universities, from the top 200 in the world, will be encouraged to establish their presence in India... Rules/ Regulations will be framed so that it is possible for a foreign university to offer its own degree to the Indian students studying in India, such that these degrees will be valid also in the country of origin.⁸

Finally, when the draft National Education Policy was released in May 2019 for public comments, it also expressed the following intention:

“ Inviting foreign universities into India: Select universities (i.e. those from among the top 200 universities in the world) will be permitted to operate in India. A legislative framework facilitating such entry will be put in place, and such universities will have to follow all the regulatory, governance, and content norms applicable to Indian universities.⁹

6 https://www.prsindia.org/sites/default/files/bill_files/Foreign_Educational_Institutions_Regulation_of_Entry_and_Operations_Bill__2010.pdf

7 <http://nuepa.org/new/download/NEP2016/ReportNEP.pdf>

8 http://mhrd.gov.in/sites/upload_files/mhrd/files/nep/Inputs_Draft_NEP_2016.pdf

9 https://mhrd.gov.in/sites/upload_files/mhrd/files/Draft_NEP_2019_EN_Revised.pdf

Making it happen

Creating an enabling regulatory framework would be the first step to incentivise the set-up of high-quality, globally-renowned higher education institutions in India. An appropriate consultative process with Indian and global stakeholders would go a long way in creating the right enabling ecosystem for top global institutions to operate and provide higher education in India.

Some factors to be considered while evolving an effective framework could be:

Operational autonomy



The licensing framework should allow for complete operational autonomy in ownership structure, form of investment, academic operations, etc. as it is expected that such top global institutions would follow the best-in-class standards, processes, pedagogies, as they do in their home country. Gol could, however, supplement its objectives by prescribing minimum outcome-based standards for learning. The Institutions of Eminence regulations announced by the MHRD in August 2017 are a perfect example of a government initiative that provides such autonomy.

Single-window



A single-window clearance framework along with a single regulatory reporting mechanism must be introduced, even from an Ease of Doing Business perspective. Other regions like Dubai, Hong Kong and South Africa also follow such investor-friendly practices.

Knowledge clusters



Gol could consider creating knowledge clusters and hubs across India where top global educational institutions could set up their campuses. Apart from assisting them with easier land procurement and expedited regulatory clearances, such foreign institutions could be encouraged to collaborate with and handhold other Indian higher-education institutions within those clusters to implement global best practices and improve the quality of education in India.

Simplify foreign funding procedures



Educational institutions set up in India under a not-for-profit model and receiving foreign sourced contributions are required to take prior permission from Gol. Such approvals are extremely time-consuming. Cross-border financing of foreign institutions set up in India and the approval process should be made easier and time-bound.

Encourage collaborations



While collaborations are allowed today, the Indian government should also consider allowing deeper partnerships with foreign universities based on not just their overall rankings and the highest grade of accreditation in their home country, but also on their subject matter expertise with top ranks. Such niche collaborations could also help address India's long-term social welfare needs.

Incentives for research



The government should also introduce appropriate policies and tax incentives for foreign educational institutions, enabling them to set-up high-end research centres and institutions in the country. Policy incentives and tax benefits in the form of capital subsidies, grant of electricity, water at subsidised rates, refund of import duties and local taxes on procurement of high-end research equipment, etc., could be introduced to enable the creation of quality research infrastructure in India.

The government could also suggest and identify subjects which require focused research, findings from which could help meet India's social development needs.

How the United Arab Emirates (UAE) successfully encouraged internationalisation

Preference for private education has grown in the UAE in recent years. Private education is being preferred by not just foreign nationals, but Emiratis as well, transforming the UAE into a lucrative market for private equity firms to set up schools and higher education institutions, providing quality education.

UAE has more than 1 lakh students enrolled in higher education across 99 private and 8 public universities. Most of the private universities are concentrated in two of the biggest Emirates of Dubai and Abu Dhabi, with 54 private universities in the former and 29 private universities in the latter.¹⁰

The government has set-up the Dubai International Academic City (DIAC) which has attracted several private universities and international branch campuses. This is complemented with the recently introduced ownership laws which allow for 100% foreign investor ownership of companies and a 10-year residency visa provision – a move designed by the government to drive more foreign investment in education and attract residents for longer terms. Even the UAE student visa has been extended to a duration of five years, so that skilled talent could be attracted for working in the UAE.

DIAC established in 2007 and is the world's largest Free Zone dedicated to Higher Education. It is home to 27 universities from 9 countries, including Amity University Dubai Campus, Heriot-Watt

University Dubai Campus, University of Wollongong Dubai, BITS Pilani Dubai Campus, Hult International Business School, Murdoch University Dubai, and the University of Manchester, Middle East Centre, to name a few.

Both Dubai and Abu Dhabi have enabling regulatory frameworks to provide single-window approvals to streamline investments, operations and processes in the education sector. The Abu Dhabi Department of Education and Knowledge (ADEK) is shifting its focus from public educational institutions – which will be monitored by the Ministry of Education – to focus on private institutions.

Dubai has emerged as an 'education tourism hub' as over one-third of the higher education students in Dubai are foreign nationals, coming from 167 different countries.¹¹ The hub has a five-pronged focus on cultural diversity, technology, student life, ease of travel and safety and security.

With the growing influx of foreign universities of repute, the quality of UAE's primary and higher education systems now ranks among the top 20 countries globally.¹²

10 Understanding Middle East Education, (2018) UAE Country Profile, PwC Middle East analysis

11 "Higher Education in Dubai: Coming of Age", Colliers International

12 Understanding Middle East Education, (2018) UAE Country Profile, PwC Middle East Analysis

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