FDI For Enhancing Quality In Higher Education

Dr. Mamta Jain
Associate Professor, Department of Economic Administration and Financial Management
University of Rajasthan

ABSTRACT
Educational system in India being third largest in the world after China and USA, is in the danger of becoming irrelevant as most of the universities and colleges have failed to maintain quality of their provisions due to increasing student population, diversity within student group, increasing workloads and decreasing resources. This paper will help us to know that how we can use foreign direct investment for bringing the systematic reforms, institutional development and quality teaching learning with overall societal development to get global recognition for Indian Higher education institutions. The paper is based on primary as well as secondary sources and views and opinions of experts collected through questionnaire. The paper concludes that foreign providers can create additional scope and expansion of higher education. It can also encourage reforms and improvement through examples and competition. In nutshell, we can say that opening Indian Higher education to foreign competition will benefit us and boost our growth until and unless regulatory framework must be strong enough to monitor, control and check the proper functioning of foreign institutions.
Key words: Foreign Direct Investment, Resources, Quality, Diversity, Societal development.

I INTRODUCTION
The destiny of India as said by Pt. Jawaharlal Nehru has to be shaped in classroom as our country is in the midst of gigantic task of national reconstruction and development and we certainly cannot achieve our goals unless we have an army of developed manpower.
Due to awareness of education, quantity in higher education is increased but quality is deteriorating as still our education system is not financially equipped with resources to manage the upsurge in quantity. A craze for degree, diplomas and negligence of skills and knowledge, lack of good teachers as well as the diminution in the motivation of the students and teachers are some of the reasons of deterioration of standards.
FDI in higher education can be used to gear up initiative towards introducing innovation and improvements in the rules of admission, selection of course structure, timetables, evaluation of students, methods of teaching, purchase of teaching materials and strengthening quality of infrastructure and spreading research culture by removing severe financial and technology crunch faced by institution of higher education in India.

II REVIEW OF LITERATURE
1. Vijay Vir Singh (2010) examined the problem of stimulating adequate but quality enhancing foreign investment in higher education in the context of the overall need for greater access coupled with higher quality.
2. Sardana and Hothi (2011) after analyzing the pros and cons; of foreign universities entering our country has concluded that the entry of foreign universities in India will definitely raise the overall standard of education system in India.
3. Devajit Mahanta (2012) conducted the study to find out the impact of foreign direct investments on Indian economy and concluded in his paper – “Impact of foreign direct investments on Indian economy” that Foreign Direct Investment (FDI) as a strategic component of investment is needed by India for its sustained economic growth and development through creation of jobs, expansion of existing manufacturing industries, short and long term project in the field of healthcare, education, research and development.
4. **Prasad and Jha (2013)** presented a holistic view of the factors that affect service quality in higher education.

5. **Monalisa Bal (2014)** lamented the lack of growth in indigenous R&D, Quality of research publication and a patent granted and identifies major policy initiatives like FDI, Industry-Academia collaboration, PPP model and Allocation adequacy as the way forward.

6. **Jonaki and Prasenjit (2016)** tried to trace the present status and recent trends in Indian higher education issues like quantity of institutions, fields of education, enrolment pattern, teachers availability, constitutional provisions on higher education, disparity in access to higher education, governance practice, quality control mechanism, trends in finance have been discussed. Privatisation and globalization emerging in the field of Indian higher education also highlighted.

7. **Singh and Awasthi (2016)** discussed the possibilities of bringing quality, excellence and more opportunities in “Higher education” through the FDI route.

8. **Shaikh and Shukla (2016)** in article “A study of FDI in education sector in India” suggested that introduction of FDI in education sector is correct opinion but should include some norms. The successful premier foreign institutes should be given chance to Open University in India. Other foreign universities wanting to expand in India can work as subsidiary to Indian institutes or a separate self managed department in the existing institutes. These special institutes/department should focus on skill developments that are required to compete globally. The foreign entrants should be given freedom to frame their working pattern and model. This will ensure a success in education sector.

### III OBJECTIVES

1. To throw the light on the present position of higher education in India
2. To trace out the quality impediments in higher education prevailed in India.
3. To graph out the trends and pattern of FDI in higher education.
4. To study the various routes for entry of foreign universities in India
5. To scrutinize the requirement of FDI in higher education.
6. To mention the regulatory guidelines for foreign education providers.

### IV METHODOLOGY OF THE STUDY

Keeping in view of availability of the resources and the scope of the present research paper, the research study is conducted on the basis of primary and secondary sources of data. Secondary data have been collected from various books, Journals, research articles, reports of various economic surveys etc. Primary data is collected through questionnaire (filled by experts, academicians, and students with suggestions and their point of view).

### V PRESENTS POSITION OF HIGHER EDUCATION

Key highlights of the All India Survey on Higher Education 2015-16 are mentioned below:

1. There are 799 Universities, 39071 colleges and 11923 Stand Alone Institutions.
2. There are 459 General, 101 Technical, 64 Agriculture & Allied, 50 Medical, 20 Law, 11 Sanskrit and 7 Language Universities.
3. College density, i.e. the number of colleges per lakh eligible population (population in the age-group 18-23 years) varies from 7 in Bihar to 60 in Telangana as compared to All India average of 28.
4. Total enrolment in higher education has been estimated to be 34.6 million with 18.6 million boys and 16 million girls. Girls constitute 46.2% of the total enrolment.
5. Gross Enrolment Ratio (GER) in Higher education in India is 24.5%, which is calculated for 18-23 years of age group. GER for male population is 25.4% and for females, it is 23.5%. For Scheduled Castes, it is 19.9% and for Scheduled Tribes, it is 14.2% as compared to the national GER of 24.5%.
6. The total number of foreign students enrolled in higher education is 45,424.
7. Highest share of foreign students come from the neighboring countries of which Nepal is 21% of the total, followed by, Afghanistan (10%), Bhutan (6%). Nigeria and Sudan constitutes (5%) each.

8. Pupil Teacher Ratio (PTR) in Universities and Colleges is 21 if regular enrolment is considered.

VI QUALITY IMPEDIMENTS IN HIGHER EDUCATION

Indian higher education is suffering from following quality issues mentioned below:

Curricular Aspect: Curricula followed in many higher education institutions are outdated and has not been revised from two or three decades. Essentially the curricula lack the core competencies required for the present day job market.

Teaching Learning Process: Teaching learning process is teacher centric as it is based on traditional lecture method. Our examination system is designed to test memory rather than understanding. There is no assessment on analytical abilities and creative & logical thinking.

Learning Resources: Our educational institutions are ill equipped with reference to availability of books, computer, internet facility and apparatus in laboratories. Therefore, there is very little ICT enabled teaching possible due to infrastructural constraints.

Research and Extension: The research output and quality of research is very poor in many institutions. Academic and industry linkages are very limited and are mainly in technical institution.

Infrastructure: In some of the old institutions, infrastructure is crumbling. More than 40 per cent of the institutions spent only a fraction of their budget on maintenance. There are no facilities for sports and extra-curricular activities.

Student Support: One third of the institutions have no provisions for any financial aid to students even if they are meritorious and do not have adequate means.

Organization and Management: There are no effective performance appraisals and there is an adhoc approach in utilizing human, financial and infrastructural resources.

Innovative Practices: Apart from routine teaching, faculty is not committed in doing something innovative. There is no budget or incentive for innovation in educational practices.

VII TRENDS AND PATTERNS OF FDI IN HIGHER EDUCATION

- Foreign Direct Investment up to 100% is allowed through the automatic route in the education sector in India. In addition to this, efforts by private players are being taken to encourage development of strong collaborations between well-established foreign universities and Indian universities for facilitating greater academic exchange among students. Such upcoming developments have attracted the foreign institutes, who have been showing interest in this unique and emerging business opportunity in the country.

- The Indian education sector attracted USD1256.08 million through Foreign Direct Investment (FDI) from April 2000 to March 2016.

- The FDI in the education sector in India increased at a CAGR of 21.28 per cent during USD580.50 million in FY12 to USD1256.08 million in FY16

Source: IBEF Education and training
VIII VARIOUS ROUTES FOR ENTRY OF FOREIGN UNIVERSITIES IN INDIA

1. Tie-ups for twinning programs - There are different variations of twinning programs. In a twinning program student undertakes a study course at its own institute in India for a stipulated period and then subsequently devote equivalent time in the overseas institution.

2. Tie-ups for providing services - For providing various services like faculty for teaching, curriculum, affiliations etc for expertisation, foreign Universities can enter into collaborations with Indian Educational Institutions.

3. Tie-ups for Distance Education Programs – Very popular method in distant education course/program is e-learning which offered by many Foreign Universities to Indian students. Here, Foreign Universities teaching method is to deliver their lecture often on an individual basis, to students, in which physical presence is not needed as like in a traditional educational setting such as a classroom, using technologies/medium like the Internet. Distance education in India is regulated by the Distance Education Council which is established under the Indira Gandhi National Open University Act, 1985.

4. Setting up entity in India/ for entering into arrangements with Indian parties for help in student enrolment activities – The objective is setting up entity in India to attract students and encourage them to enroll with the University overseas.

5. Tie-ups for Student Exchange Programs - With a objective to enhance cross cultural exposure for Indian students and to provide a global perspective to them, these programs encourage students to devote time generally from 2 weeks to a term/semester at the overseas campus of Foreign University.

6. Tie-ups for Faculty Exchange Programs - These programs are framed with the objective to assist the teaching staff to teach or conduct research for short duration at the campus of the counterpart university/college. This is often a favorable situation for both the institutions as the teaching staff can benefit rigourously through exposure to a culturally varied and diverse faculty make-up, with an opportunity to exchange ideas and observe a variety of methods.

7. Tie-ups for Joint Research Programs - The purpose of these programs is to promote collaborative research activities between expert researchers of Foreign Universities and Indian Institutes and also to provide opportunities for young researchers to brush up their skills. These programs are carried out in cooperation with overseas science promotion organizations so as to response to the global development of scientific research activities.

8. Tie – Ups for Research and Innovative Services: India is liberal economy with no regulatory restrictions on payments made outside India for services. Thus, there is a vast opportunity for provision of research and innovative services. Due to lack of infrastructure and severe competition for quality education, amongst others, there is a large and rapidly growing market for coaching and tutoring services which are providing the services with new and innovative means, particularly the internet. Other existed trend that is catching up now a day is that Indian corporate is increasingly looking for outsources skill training activities to specialized institutions abroad.

IX RATIONALE AND NEED FOR IMPLEMENTATION OF FOREIGN DIRECT INVESTMENT IN HIGHER EDUCATION SECTOR

Questionnaire filled by the various stakeholders of higher education, it is concluded on the basis of their opinion and their point of view, that considering the all quality impediments existed in higher education system, FDI can be a tool to cope up the crunch of resources, expertisation, technology, research and innovation, global best practices and overall societal development.

- Enrolment rate can be increased in higher education through FDI as it will solve the problem of less supply high demand.
- Indian money and talent going abroad will be stopped.
- Infrastructure standards will improve in higher education.
- Some new and more innovative methods of technology will be used in teaching learning process.
- More effective use of tools of ICT in higher education.
It might happen that India would be able to develop one of its own world class universities. India needs to fill the technological gap as fast as it can to compete with China and USA. FDI will help to increase facilities, in terms of physical infrastructure as well as geographical spread, for improving vocational skills and overall quality of higher education. The growing competition with local universities will help us to become internationally competitive by improving quality of curricula and other aspects for an evolving market. FDI in higher education sector would generate more employment opportunities. Allowing FDI in higher education will boost export of Indian education. There will be better scope for research because foreign universities have different research design and methodology to run and generate revenues. FDI will help India to move towards practical learning rather than rote learning. FDI will be beneficial to the existing institutions to improve their poor image by inviting investment in higher education. FDI will provide the education at a lesser cost and provide more relevant alternative in compare to private professional education.

X REGULATORY GUIDELINES FOR FOREIGN EDUCATION PROVIDERS.
The AICTE has formulated regulations for Foreign Universities carrying out twinning programs (i.e. collaborative and joint courses) with Indian Education Institutions in Technical Education. Some key focal points of the same are: - Fee structure and no. of seats prescribed by AICTE; institution and its degree to be recognized in the home country; Compliance with affirmative action mandatory; affiliation and tie-up with Indian University is compulsory for degree granting institutions. The University Grants Commission (‘UGC’) recently gave in principle approval to regulations on twinning arrangements under ‘Promotion and Maintenance of Standards of Academic Collaboration between Indian and Foreign Educational Institutions Regulations’ 2012. The official copy of the regulation is not available for public purpose and information available through various media sources shows that the new regulation stipulates as under: Only top 500 Foreign Institutions in Times Higher Education World University Ranking or Shanghai Jiao tong ranking lists will be allowed to collaborate with Indian Educational Institutions; Only those Indian institutions that have got highest accreditation grade from NAAC or NBA are eligible for a tie-up with a Foreign Institution; The Indian and the Foreign Institution will have to enter into an agreement that will have to be approved by the UGC before it is implemented; Existing collaborations will have to get UGC approval in 6 months’ time; No franchise agreement will be permitted.

XI CONCLUSION
India today has one of the largest systems of education in terms of number of institutions, teachers and students. An enormous infrastructure exists. From last many years no attention is paid on education, have resulted in deterioration of the quality of our education system. While reach of higher education has largely increased but still inequalities exist. Weaknesses and shortcomings can be treated as opportunities by investing on its strength ie only through FDI in Indian higher education system. Motivation should be given to ‘high quality’ foreign universities and educational institutions to enter into tie ups with Indian partners and marked their presence in India. Proper regulation framework as required should be enacted. The opportunities should be used to “globalize” Indian higher education without compromising the basic tenets of access, equity and quality of education. Thus there is an urgent need to solve the quality impediments facing our higher education sector. However one sided attention to it won’t solve the problem. The best option is the middle path. Government should allow qualitative foreign universities to higher education under strict norms and regulations. Government should shortlist the preferred universities for investment and then invites them to setup campuses in India. Degraded universities should not be allowed entry in the country. Moreover, government should provide incentives and encouragement to foreign universities to setup institutions in
areas of research and academics, which is most needed in the country. Thus government needs to act with strictness and discretion in development of higher education.

REFERENCES

1. Vijay Vir Singh (2010) FDI in Higher Education in India: Regulatory Bottlenecks and Options, CUTS Centre for Competition, Investment & Economic Regulation, No. 3/2010 www.cutscier.org/.../FDI_in_Higher_Education_in_India_Regulatory_Bottlenecks...