

INDIA AS A GLOBAL DESTINATION FOR HIGHER EDUCATION: OPPORTUNITIES AND CHALLENGES*

PREM VRAT**

This paper develops a theme for nurturing the potential of India as a global destination for higher education. It points out the glorious history of ancient Indian higher education which was indeed global because scholars from all over the world came to India in search of knowledge at Nalanda, Takshila, Vikramshila and others. However in current times; particularly in higher technical and management education segments, the perception of poor quality of education and low employability of graduates is resulting in many students from India going abroad for even undergraduate education in addition to post graduate and research and most Indian higher education, institutions are either not able to attract students from abroad or have policy road blocks in such a flow of students and scholars from other parts of the world. Apart from other intangible aspects, there are huge opportunity costs in terms of billions of dollars' worth of opportunity lost due to low or no intake of foreign students in Indian higher education system. The theme paper outlines the strengths and opportunities Indian institutions have to attract talent globally as well as problems and challenges that prevent it from happening. The paper addresses issues to enhance perceived quality and employability of graduates in India and lists policy support as well as the global mind-set required in addition to high quality academic infrastructure and intellectual capital needed. It focuses on attracting the best possible faculty to inspire, involve and transform students and liberal funding as well as freedom as a prerequisite to nurture globally benchmarked higher education institutions. A set of recommendations are made to make India a global destination for higher education.

Introduction

Higher education considered in this paper means higher technical and management education because of the focus in the IIT system, though technical education itself is a wide term as per AICTE's mandate and higher education as per UGC's mandate. The term global destination implies that knowledge seekers from other parts of the world come to India for studies in addition to reducing the outflow of Indian students to other countries. Global outlook would also imply having faculty

from abroad teaching in Indian institutions. A concern has been raised at the highest level in the country about why so few Indian universities find a place in top global rankings. Lack of global outlook is also a factor apart from other issues like access, equity and quality. Quality is the real challenge out of these, because the access is now there due to large expansion of Indian higher technical education. Question of equity still needs to be resolved because still a large section of poor population cannot afford the cost of quality education even in the government funded IIT system because the cost of coaching which regrettably has become an operating necessity to get into the IIT System itself is prohibitive and thus a large number of poor students who are not supported by constitutional privileges get left out. However, the biggest challenge is the perceived quality of Indian institutions by parents, employers and the society. Only this factor can be a game changer if even 10% of

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total number of technical and management institutions we have can be considered to be globally competitive.

A Brief Historical Overview of Ancient Indian Universities.

India in ancient times was considered as a global destination for higher education: Nalanda University in Bihar founded in 427 AD and which existed until 1197, when it was destroyed by invaders was perhaps the first global university in the world. The Nalanda University was devoted to Buddhist studies, fine arts, medicines, mathematics, astronomy, politics and art of war. It had dormitories to house 10000 students and provided accommodation to 2000 professors and attracted students from Japan, Korea, China, Tibet, Indonesia, Persia and Turkey among others. Hsuan Tsang from China studied and later taught here for five years in the 7th century AD when it had 10000 students and 3000 teachers. It had a nine storey library with 9 million manuscripts at the beginning of the 12th century. This library was destroyed by fire which was raging for nearly three months to completely destroy it. Thus Nalanda could be a benchmark of a truly global higher education institution and indirectly identifies parameters of excellence as:

- (i) Excellent student to faculty ratio with one faculty for 3-5 students. This is the best ratio even today in the world.
- (ii) 100% residential nature with faculty and students residing on the campus.
- (iii) International mix of students and faculty with multiple disciplines of studies.
- (iv) An excellent library with 9 million books/manuscripts.
- (v) Even if we replicate these conditions in our current university system, the academic excellence would go preventing Indian students in large numbers to go abroad and also attract many students to study here from outside India.

Takshila was another ancient centre of excellence that dates back to 5th century BC until its destruction in 5th century AD. It was best known for its association with Chankya who wrote the famous economics treatise 'Arthshastra' here. Ayurvedic healer Charak also studied here who was pioneer in the field of ayurvedic system of medicine. Vedic studies, 18 different art types which embedded skills such as archery in training students were taught here in addition to medicine, law and military science. Like Nalanda, Takshila also attracted students from

all over the world. Other ancient universities included Odantipuri in Bihar, Somapura now in Bangladesh, Vikramshila in Bihar and Pushpagiri in Odisha. Thus as our ancient heritage, India was indeed a global destination for higher education and we need to seriously ponder over to regain our past glory, by benchmarking with best practices of those times.

Current Scenario of Indian Higher Education System

In sharp contrast, in present time the quality of higher education institutions as perceived by parents, students and various surveys conducted by rating agencies is quite low. As a result India is not able to attract a large number of students and scholars from across the globe to study in India. In addition; due to perceived low quality of graduates coming out of Indian universities; a large number of Indian students are going abroad to study engineering, medicine, management among other disciplines. This trend of going abroad even for undergraduate studies is increasing than ever before. Growth rate which was 12% in 2014 had risen to 17.8% in 2016, more (in % terms) than even from China. 3.6 lakh students go out for higher studies from India every year, 85% of which go to five countries: US, Canada, UK, Australia and New Zealand. Even China for medicine and Germany in other areas are emerging as new destinations. Germany has incentivised it by giving tuition fee waivers. In financial terms it is about \$16 billion (Rs. 10,4000 Crores) every year that Indians spend educating their children abroad. India attracts about 42,000 students to study here as compared to 1,040,000 in USA, 497,000 in UK, 398,000 in China, 292,000 in Australia. Growth of Indian students going abroad for higher studies is powered by lack of places for admission in good Indian institutions even for the best students. For example, the minimum cut off percentage is many good Delhi University colleges may be more than 95-99%. For admission to IIT system; may be only top 2% of the aspirants are able to get admission. However the increase in students going abroad for undergraduate studies is a relatively recent phenomenon as even those with 90% marks cannot assume that they will be admitted into the branch or college of their choice in India. Paradoxically; the number of engineering and management institutions in India have grown exponentially in past 2 decades or so but their quality has taken a back seat in such quantitative expansion. Cost of private education is quite high and if perceived quality is lower than institutions abroad; there is a tendency to go out. This is further accentuated by the Macaulay mind-set that everything foreign or English is better than their own Indian product or service. Due to this, many land up in quite

ordinary institutions abroad and pay heavy fee for that leading to eventual dissatisfaction with the choice they made. This 'push' factor is further reinforced by the rising purchase power of Indian middle class; aggressive marketing by institutions abroad in India involving the support of their embassies as well as nodal centres in India involving the Indian student/alumni of those institutions. On-line entrance test facilities for SAT/GRE/GMAT etc. further facilitate the Indian students going abroad for higher studies. Indian parents are keen to get a quality education to their ward if not within India, then from abroad. On the pull front, due to perceived low quality of Indian higher education system and other road blocks due to government policies, very few students from abroad come to India for higher studies. Some private universities such as Sharda, LPU, VIT, etc. have shown increase of foreign students on their roll; but on the whole not many come to study in India. A recent news reported that even IIT's this year could get only 222 applicants from abroad.

Strengths for Making India a Global Hub for Higher Education

There is a strong potential for India to re-emerge as the hub for global higher education if we as a nation leverage our intrinsic strengths, overcome weaknesses to prevent or reduce the out flow of Indian students going abroad for higher education and attract brilliant students from other countries to come for higher studies in India. Some of our strengths are:

- i. India has a demographic dividend potential because 55% of Indians are under 25 years of age and if we can make them globally employable through higher quality education and training; we can have a major economic, social and political impact globally when the students from abroad go back from India after their studies and eventually occupy high positions in their countries.
- ii. India has a very high population in the middle income category and every Indian parent has a burning desire to get their children the best quality education. Hence a truly high quality institution would never experience lack of demand for education. Quality on a sustained basis is itself a guarantee to sustain higher educational institutions in the long run.
- iii. There is enormous expansion of higher technical education with private equity participation creating huge amount of world class physical infrastructure. If even 5-10% of these institutions could be made

world class through investment in intellectual capital, systems and work culture; these 5-10% institutions can make India a global hub of higher education.

- iv. Indians are perceived to be intellectually sharp and innovative in spirit in something they get involved or committed to. Hence India is a rich source of brilliant, innovative faculty resource in case we are able to attract them to teaching and research as a preferred career option.
- v. Indian diversity of climate, bio-diversity, tourism potential, spiritually attractive locations can be an additional reason for scholars from outside India to come and study in India. Its ancient heritage, language richness can be an added attraction.

Weakness of the Higher Education System in India

Despite demographic dividend potential and rich ancient heritage; the current scenario of higher education is dismal in terms of quality and employability of our graduates. These weaknesses have to be overcome if we wish to regain our ancient glory of becoming a hub of global higher education. Some of these weaknesses are:

Faculty Quality: Faculty quality is the most critical success factor for quality education. Unfortunately today it is the weakest link for the quality of academic supply value chain. The best and the brightest of the society do not join teaching and research as the most preferred career option due to less attractive compensation packages and perceived low psychic income and social esteem associated with teaching profession. As a result, quality and quantity of teachers in engineering and management colleges are worryingly low. About 30-40% faculty shortage is experienced even in established IIT's and in state run government colleges the faculty vacancies could be 50%. Many colleges are running on guest faculty. In private engineering and management institutions-which comprise 85-90% of enrollments; the faculty head count may be adequate due to AICTE's requirement of 15:1 as the student to teacher ratio but due to poor pay, working conditions and low social esteem; the quality of teachers and their morale is a cause for serious concern. At times the students being taught are brighter than those teaching them.

There are enormous imbalances in Indian higher technical education system. Imbalance in the ownership of institutes by government and private sectors; locational imbalance; age-profile of teachers, compensation, research facilities, branches of studies etc. are some of the imbalances that come in the way of academic excellence. While government spend on higher technical education is itself meagre 1.35% of GDP; 60% of this may be getting allocated to few elite institutes –IIT's, NIT's, IIIT's, centrally funded schemes. State colleges are in bad shape. Private-self funded colleges constitute 85-90% of total graduates being trained but these do not get any financial support from the government. AICTE's financial support to private institutions is meagre. Research takes a back seat in state funded and private universities, as the tuition fee cannot be diverted for research beyond a limit. Accounting practices in many privately funded institutions may be non-transparent. Though it is supposed to be non-profit making venture, yet it is not quite clear if it is really so in the absence of totally transparent funds flow systems.

Low Employability of Technical and Management Graduates : Employability is the most critical quality attribute of a higher education institution because it reflects the ability of the graduate to obtain and retain relevant employment. In this perspective, Indian higher education system is not perceived to be great. Some agencies have quantified this figure to be as low as 20-25% for engineering graduates and 15-20% for management graduates. Employability is a combined impact of attitude, knowledge and skill in a holistic manner with attitude being a critical success factor. In my model of employability, it is expressed as:

$$E=A[x.K + (1 - x)S]$$

Here x is relative importance of knowledge over skill, A is attitude and E is Employability measured between 0-1. A, K, S and x are all measured between 0-1. Obviously low employability is only a symptom of the problem. The root cause is the lack of good quality holistic education. This can be improved by revisiting the model of imparting education by balancing theory and practice and focusing on building good human values and professional ethics so as to shape engineers and managers with a highly positive attitude with soft skills: compassion, teamwork, sincerity and

commitment. If we do not address employability at a global level; we will not be able to attract global participation in the Indian higher education system.

Role of Public Attitudes Towards Private Institutions : About 85-90% of engineering and management institutions of higher learning in India are from the private sector. While this has improved the access to higher education substantially, but perceived myopic objectives of the private edupreneurs has led to serious concerns about quality of these institutions. It could have been converted to a great opportunity, if the private sector had focused exclusively on enhancing global employability and quality in developing students. But increasing numbers; reducing quality standards to fill seats and not attracting and retaining the best teachers has led to a situation where the expansion of technical education has boomeranged. Paradoxically some of the best institutions in the US are the private universities. However in India; the attitude of funding agencies; donors; employers; parents and government institutions towards private colleges and universities is that of suspicion and neglect. How can India become a global player if 85-90% private institutions remain neglected by donors; funding agencies and government in hand holding and nurturing. Logically speaking; the parameters of funding and supporting of institutions should be based on quality and performance alone and not on the forms of the ownership. Due to this mindset the private universities are starved of research grants, scholarships; consultancy assignments and sponsored research grants. This in turn impacts their research credentials and global ranking. We should benchmark with the best practices in US where there is a common admission test-SAT/GRE/GMAT for all kinds of institutions; scholarships and research funding are given on the merit of the proposal and quality of faculty/student and not on the form of ownership. There is no age of retirement of talented professors in the US. Of course even private sector has to come out of myopic commercial objectives and cost cutting measures in management of talent and focus on right priorities in attracting great teachers by giving them good salary and psychic income-perceived respect and freedom.

According to a recent study, the desirable priorities of enablers to improve quality and employability

in Indian technical higher education institutions should be in the following order: Quality of faculty, Teaching-Learning Process, Quality of Academic Leadership, Quality of Admissions, Alumni relations, Physical infrastructure, Collaborations, Sports activities and Cultural activities in that order. However, due to distorted priority structure and myopic perspective the actual priorities are: Physical Infrastructure, Cultural and sports activities, Quality of admissions, Quality of faculty, Collaborations, Alumni relations, Teaching-learning processes and Quality of academic leadership. Strategic intent of founders and their quality focus and transparent financing and accounting practices together with adopting right priority structure with faculty quality on top alone can make a difference and change of attitude of government, employers, parents and society towards private institutions can have salutary effect for India to emerge as a global hub of quality higher education.

Macaulay Mind-set Towards Indian Education:

In our ancient institutions, Nalanda as a case in point, we have role models of truly global excellent education systems but due to our Macaulay mind-set we do not benchmark with those best practices to regain our past glory. Instead, in general, we over-rate everything that is foreign and English and under-rate our own faculty, institutions, systems, culture, values and ethos. As a result, we may prefer a lower quality institution for admission abroad over a better quality in India, which leads to huge amount of foreign exchange going out of the country. We may not mind paying such a huge fees outside India, but we are very reluctant to pay that quantum of fee to our own institutions. This is also reflected in the donations and other philanthropies where millions of dollars are given by Indians towards philanthropies at Harvard, Wharton, UTD, but we are conservative in funding or donating to support our government or private educational institutions in India. We may pay huge amount in hiring foreign consulting firms but are hesitant to give consulting job to even the most talented of the faculty from private institutions. This mind-set needs to be corrected as it is impeding India's progress.

Low Support from Indian Embassies Abroad to Publicize Indian Education in those Countries:

Our own embassies and missions abroad have not pro-actively marketed Indian education system abroad; unlike embassies of some developed countries in India who are enthusiastically supporting and hand-holding visits of faculty leaders when they visit India in search of Indian students. Perhaps involving Indian embassies in globalizing higher education in India needs to be a major policy change. Embassies can be the best way of marketing Indians talent abroad.

The Way Forward

If we accord high national priority to education, and leverage our intrinsic intellectual strengths and demographic dividend potential, then it is possible for India to get back to the glory of ancient globally respected higher education system. We need to remove all the weaknesses outlined above as each weakness is an agenda for improvement. We need to shed our Macaulay mind-set, start respecting Indian education and culture and realize that collapse of education is the collapse of the nation; as a society we should do all we can to develop high quality; holistic education with global outlook but respect for our own institutions, faculty, culture and values. Some specific suggestions to chart a road map and a way forward to make India as a global destination for higher education are as follows:

1. Allocate much higher budget to education in general and higher technical education in particular by treating investment in quality education as investment in nation building and to realize demographic dividend. Treat education as a seamless academic supply chain from primary to secondary and tertiary stages.
2. Specially set a goal of making India a destination for quality higher education globally for students, faculty and employers and put policy levers in place to pull talented students and faculty from any part of the globe to study and teach in India and retain Indians students and talented faculty by providing them attractive academic career options so that the best and the brightest choose teaching and research as the preferred career option in India.
3. Provide liberal funding to create world class infrastructure, faculty and academic resources to make at least 5% of Indian institutes –both government and private to match global standards of quality. Use PPP model through land grant and

research funding mechanism and incentivise performance based funding for scholarships, research projects, faculty support instead of support based on form of ownership government vs private.

4. Change outlook towards good quality private institutions by way of involving their faculty, students and infrastructure in the same way as reputed public sector institutions are involved in sponsored research, consulting, outreach and in national policy formulations. This will encourage better quality faculty to work in private institutions as well.
5. Benchmark with the best practices of globally top ranked institutions in choosing the best faculty and students but it is only possible if funds and freedom exist to support those best faculties. Let "Faculty, Fund, Freedom and Flexibility" be the four pillars to support global quality.
6. Balance teaching and research as two sides of the same higher education coin and create incentives for the society to donate liberally to support world class education and research by encouraging philanthropy; tax incentives in donating to academic research and scholarships irrespective of whether it is government or private institution. Give 150% tax deduction for funding research even in private institutions, same way as in IIT's.
7. Remove expiry date on talent by involving outstanding professors for life-long opportunity to teach, mentor, guide research as is the practice in great institutions abroad.
8. Pro-actively attract the outstanding, brilliant, visionary academic leaders to head academic institutions-both government and private and support them through funding, freedom and respect.
9. In opening new private university/colleges, focus more on the strategic intent of the founders; their background of academics and capacity to donate for a good cause rather than on physical parameters alone-acres of land, building etc. Land grant institutions both national and global can have potential to develop into global hubs for higher education.
10. Huge library; including e-library, large bandwidth; 100% residence for faculty and students; small

student to teacher ratio (5-10), freedom with accountability and visionary academic leadership should be a pre-requisite for any global quality institution. Regulators should not micro-manage such institutions and the role of regulators should be to guide, mentor, nurture, support and encourage star performers both faculty and institutions irrespective of form of ownership. Focus on fair, objective and credible independent accreditation process.

11. If industry, employers and public at large look at the higher education as the 'nursery of their future talent pool; then they will be proactive in hand holding and supporting these institutions to avoid talent-crunch in their own business later on.
12. Involve Indian embassies to promote higher education abroad; give scholarships and tuition fee waivers to high performers from abroad. Simplify bureaucratic processes to select, attract, reward brilliant faculty and students from outside the country but ensuring that their Indian counter-parts of comparable caliber are also treated the same way.
13. Insist on transparency in accounts, financing, operations, examination processes and quality strategies of all private institutions but in return give them freedom, flexibility and empowerment to fix up their fees because market itself is their regulator. If they do not offer value for money they will perish. We need to only ensure 100% transparency of operations and balance-sheet to account for every rupee inflow and outflow.
14. Encourage global partnership with top notch institutes from abroad and permit co-branding with the best of them. In due course it might improve quality of our domestic education through learning and collaborations. However all institutions government, private and foreign must have the same level playing field and same window of opportunities to excel.
15. Leverage technology-enhanced-learning to improve global participation of faculty, students and content delivery. Integrate class room learning with multi-media based, Moocs, global internships; exchange visits of faculty and students to develop a global mind-set; though having pride in our own culture and wisdom.

Concluding Remarks

This theme paper attempts to build a basic background note for debating on the strategies to bring back Nalanda like glory of our institutions of higher education so that not only our own students prefer to study in India; we attract some of the brightest minds from anywhere in the world to study and research in India so that we have a sizeable number of globally benchmarked institutions in India. It has attempted to portray the current reality and the reasons leading to that situation. It then outlined the way forward and proposes a set of actions we need to take for realizing the dream of making India a global destination for higher education. It is hoped that these views would provide a basis for a thorough debate on various issues

outlined here to eventually provide a set of recommendations to follow the theme post-conclave. □

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