RECOMMENDATIONS

for

THE FOREIGN EDUCATIONAL INSTITUTIONS (REGULATION OF ENTRY AND OPERATIONS) BILL, 2010

By

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Emerging Directions in Global Education

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OBJECTIVE

It is heartening to note the growth rate of Indian economy even during adverse times even as the other countries of the world are witnessing nil or even negative growth. One of the primary reasons is due to the increasing growth in the services and knowledge sector and the projections indicate that this trend will definitely continue. However India faces the challenge of generating an appropriate supply response to retain its existing advantage in this sector.

While India has the potential to emerge as a global hub for higher education and technical education, the real challenge is to expand capacities in higher education to keep ahead of the curve of rising domestic and global demand.

Given the well established constraints on public funding of education, it has at this juncture become essential to throw open the doors for foreign educators willing to invest in India to expand capacities at an accelerated pace.

Therefore India needs to have a proactive policy towards foreign educational institutions desirous of setting up campus in India, combined with the establishment of a regulatory mechanism that ensures that students’ welfare is not compromised and quality standards are maintained.

Keeping the above need in mind, EDGE Forum has offered its observations and recommendations.
OBSERVATIONS

1. While the objective of the bill is noble with an intention to propel lot of positive changes in the education sector, it has not provided for any incentives for attracting good universities to India. Therefore it is crucial to establish at this juncture if the Bill is planning to “attract” foreign universities or “Restrict” their entry into India.

2. The bill will actively encourage intellectual – affiliations and knowledge sharing.

3. The bill ensures that the foreign educational institutions maintain the same standard comparable to its main campus and which may in turn raise the present quality standards in India.

4. While the bill concentrates on ensuring the entry of institutes of repute into the country, the resulting red-tape may become lengthy and cumbersome for the foreign educational institutions.

RECOMMENDATIONS

1. **Chapter II (Foreign Educational Institutions) (3) (a) (i)**
   The bill assumes that any foreign educational institution which has been offering educational services for at least 20 years will be an institution of repute which may necessarily not be true in all cases. Also many reputed and successful Institutions in this category may be in existence for less than 20 years, which would close their opportunity of operating in India.

2. **Chapter II (Foreign Educational Institutions) (3) (b)**
   It is appreciated that to ensure long term commitment from the foreign educational institution, the bill has insisted on an undertaking to maintain a corpus fund of not less than fifty crore rupees. However we recommend that a provision be made to allow the foreign educational intuitions to withdraw a limited amount from the corpus annually. Such limit may be prescribed as not greater than 5% of the initial corpus fund value. This will ensure that the foreign educational institutions have an
extended presence in the country and automatically demonstrate long-term commitment.

3. **Chapter I (Preliminary) (c)**

*Commission* - The task of regulation of the entry and operation of foreign educational institution into India is a task with immense responsibilities. Therefore we recommend that an independent commission equipped with adequate resources both physical and intellectual be constituted under this Act for explicitly regulating the entry and operation of such institutions.

4. **Degree / Diploma**

The bill does not define ‘degree’ or ‘diploma’ or explicitly state if the degree of diploma awarded by the Foreign education provider will be considered a degree / diploma awarded by the foreign university or by the Indian institution set up under the proposed Act. We recommend that provisions specifying the same with bring in more clarity.

5. **Chapter II (Foreign Educational Institutions) (7)**

It is assumed that the Commission independently will not have the know-how or the mechanism to establish the fact that any foreign educational institution’s operation in India will not be in interest of the sovereignty and integrity of India, the security of the State, friendly relations with foreign states, public order, decency or morality or sensitivity of location of the foreign educational institution or any other such reason. **Therefore it is recommended that the services of a central authority, expert in establishing such facts maybe roped or services requested as the need maybe.**

6. **Chapter IV (Miscellaneous) (9)**

The requirement in Chapter II (Foreign Educational Institutions) (3) (b) which stipulates the need to maintain a corpus of Rs. 50 crores should also apply to that foreign educational institution /s which is recommended by the Advisory board. This
recommendation is to encourage equal status amongst all that foreign educational institutions willing to set up operations in India.

7. To take advantage and reap benefits of such an Act, it is imperative to fast-track the application process of the foreign educational institutions. Therefore we recommend that a provision to be made for expediting the process for such institutions that are willing to deposit the corpus amount in advance before the application is approved and notified.

8. It is recommended that the complete application, scrutiny and the notification process of the foreign educational institutions be made public to encourage transparency. The Commission’s recommendations should be made available in the public domain.

9. We recommend that a mechanism to provide feedback on the Foreign education providers be made which can then be periodically analysed. This analysis can then form a basis to prescribe norms / amend the Act.

10. We recommend that these foreign educational institutions be given a ‘holiday’ as regard to reservation for SC/ST, OBC etc. As these institutions are not accustomed to operate under restrictive regimes, they will not be keen to come to India if subjected to the Indian bureaucracy with increasing notifications on how the universities should operate.

11. The bill does not spell out the process of quality assessment at the entry level and after the institutions have been allowed entry. Both the processes must be independently valid, transparent and information in this regard must be made available in the public domain so that it gains legitimacy. There is a need to develop clearly indicated comprehensive set of quality measures for institutions in higher education. It will be useful to also make it mandatory for the foreign education providers to be independently accredited by the proposed National
Accreditation Regulatory Authority. This will then enable comparison of all higher education institutions, inclusive of the foreign education providers.

12. Numerous scholars, including Prof. Yash Pal have pointed out that India does not have the necessary infrastructure that would attract world’s top ranking universities. The bill in its current form, risks opening up Indian institutional spaces for sub-standard and commercial institutions.

13. The Bill should provide incentives for foreign educational institutions to operate in India. Some of the suggested incentives could be the following
(i). their faculty could be paid dollar salaries that can be repatriated
(ii). Some portion of the revenues generated should be allowed for repatriation to the parent university for enhancing their infrastructure at home.
(iii). Welcome the foreign educational institution’s Indian alumni to donate to their campus in India and encourage them to play a role in the management of the institution in India.
(iv). Consider setting up such branch campuses in the proposed (or to be planned) SEZs, specially reserved as special education zones. These can have the normal benefits provided in the special economic zones, involving tax incentives etc.

14. The bill is silent about the possibilities of active interface with Indian universities. Collaborative partnerships among universities is crucial if entry of foreign service providers is based on the assumption that they will raise the quality bar of at least a select number of universities in the country. EDGE Forum strongly believes in the urgent need of redefining Universities to form ‘Education hubs’ that would include different kinds of institutions. The foreign education providers should be willing to be part of Education Hubs, when such hubs are introduced, and contribute to the development of their respective hub.