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Govt grapples with question of education as commerce

HURDLES HERE

Even as the demand for foreign education has grown, government is planning to create new entry barriers for FEIs and put restrictions on those who operate here

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NEW DELHI

THE bill seeking to regulate foreign educational institutions (FEIs) more strictly, if not prohibitively, seems out of sync with the ground realities of higher and technical education scenario in India. But that doesn't seem to be preventing the UPA government from making it even more rigorous for FEIs and their existing and potential collaborators in India, owing to the pressure from its Left allies. It now appears that the government would "rework" the Bill before it is introduced in the Parliament. Interestingly, the Left's stance that the Bill is incompatible with the common minimum programme of the ruling alliance has come as godsend for HRD minister Arjun Singh who, anyway, wasn't very happy with the 'leeway' given to FEIs in the Bill.

The fact is that even in its present form, the Bill proposes to make things onerous for the 141 FEIs already in India, and also those wanting to enter the country to tap the burgeoning market. A key proposal in the proposed Bill cleared by the Union Cabinet in March this year is to make registration of FEIs compulsory. Moreover, an FEI will be allowed to function independently in the country only if it is recognised as a deemed university by the University Grants Commission, as the commission would specify.

Of course, a few institutions of global standing could be exempted from this requirement, subject to vetting by an advisory board consisting of the UGC, AICTE, MCI, etc. If FEI has a collaboration with a recognised Indian university or institution, the onus of ensuring the foreign institution's right conduct would be on the Indian partner. (The Left is peeved at this proposal as it thinks that this amounts to putting FEIs who collaborate with Indian institutes outside the purview



BOOKING MONEY

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of the new regulations).

UGC will have the power to derecognise FEI and, in such cases, the government would make alternative educational arrangements for the students already enrolled with FEI and would also compensate employees out of FEI's financial investment in India.

The Bill further says (there is even a title reference) that commercialisation by FEIs would be prevented. So, they cannot repatriate gains. To ensure that FEI is here not just to make some quick bucks, the Bill mandates it to meet at least 51% of the capital expenditure.

The Bill, if implemented in the present form, could have a deleterious impact on FEIs' operations in India. Over a thousand FEIs now functioning in the country are not recognised. (AICTE itself lists many hundreds of unrecognised FEIs on its website). The fact is that most of them do not crave for recognition as their courses are anyway valued by students and their potential employers (except the government of India). It is also a fact that a new breed of market-oriented professional courses that have come up in recent years might even fall out of the ambit of all

the extant regulators of higher/technical education in India. One contention is that the Bill is rather unclear as to whether FEIs offering specialised courses related to technical disciplines such as law, accounting, company secretaryship, etc, would be virtually obligated to get the approval of the respective professional institutes to function in India. So, the Bill could not only create new entry barrier for FEIs but also force hundreds of them currently operating in India to close shop.

Take the case of US-based CFA institute which was recently asked by AICTE to discontinue its operations in India following a court direction. The institute's global repute (it operates in over 130 countries and was set up in 1947) in creating professional investment managers did not help him get AICTE recognition. That it fell out of the Indian partner is what resulted in the court case is a different matter. Despite the AICTE decision, the Indian institute's CFA course continues to attract students as it is valued in the financial world.

It is indisputable that nobody should be allowed to fraud or dupe Indian stu-

dents and parents. Rank profiteering ought to be frustrated also. Quality control on the curriculum, teaching methods and faculty might also be desirable insofar as it is intended to thwart affront to Indian religious, cultural or linguistic sensitivities. Any regulation on FEIs that steps beyond these limited, reasonable objectives is unwarranted. And the proposed Bill indeed transgresses this limit and threatens to undermine the available opportunities for employment-oriented specialised education. Its purport is particularly grave given the fact that only a tiny fraction of Indians is able to travel and stay abroad to get trained in reputed FEIs. On estimate it is that about 1.5-lakh Indians go abroad every year for foreign education. They spend in excess of \$4 billion. The pent-up demand for foreign education is, of course, far in excess.

Moreover, contrary to the recent trend, the FEI regulation Bill has been prepared without adequate prior debate. "The whole process has been erratic. There wasn't any market research about the capacity of Indian educational institutions in offering various professional courses, neither did the government assess the market implications of the proposed stringent regulation," said Sumant Batra, a leading Delhi-based lawyer.

Given its inability to set up enough capacity in the public sector for higher education, the government must at least refrain from creating impediments. Increasingly, corporate India is entering the arena of higher education.

The government is well within its rights to ensure that merit and quality are not compromised in the field of higher education. It is its duty to ensure that a meritorious student is not deprived of the education he deserves owing to rampant commercialisation. At the same time, it must accept the fact that since only private entities — foreign and domestic — can supplement the public infrastructure for education, 'reasonable commercialisation' has become inevitable.