CHAPTER 2

REVIEW OF LITERATURE

Everyone has the right to education.... And higher education shall be equally accessible to all on the basis of merit.

(Universal Declaration of Human Rights, 1948)

2.1 Introduction

“The role of education in facilitating social and economic progress is well recognized”. It is empirically verified that education which is one of the important components of human capital impacts economic growth positively (Stiglitz, 1998, 2003, Dreze and Sen, 1996). Human capital is the main asset of India in its drive to become the most competitive and dynamic knowledge-based economy. In this knowledge intensive world driven by information technology, primary education is a must but the importance of higher education cannot be ignored because higher education, being at the apex of educational system, is an essential input for meeting the manpower requirements of the highest calibre in crucial areas of national development (Azad, 2002).

“The ability of a society to produce, select, adapt, commercialize, and use knowledge is critical for sustained economic growth and improved living standards. Knowledge has become the most important factor in economic development” (World Development Report, 1998-99). Through higher education, knowledge is acquired and individual perspectives are sharpened. It is the key source for global competitiveness. The processes of liberalization, privatization and globalization (LPG), along with technological revolution have further strengthened the significance of a knowledge-based society. Globalization and education are mutually supportive. It is a two way process, as globalization presupposes competitiveness and efficiency in the system and efficiency, in turn, is achieved upon the latest technology or knowledge accessible to the system. The entire process of globalization is technology-driven and knowledge-driven. In order to realize India’s aspirations to become a knowledge superpower by 2010 and a Developed Nation by 2020, the country requires highly specialized human capital to create, share, use and manage knowledge (Rani, 2010).
2.2 Literature Review

The present chapter is devoted to review earlier studies on globalization and higher education in India. The tenet of review of literature is to identify gaps in research which helps in formulating the hypothesis and to define objectives of the study. In this chapter some of the major works are reviewed. The review of literature on higher education is organized in a manner that entire review of the related researches and arguments is categorized into nine sections and each section is analyzed separately.

The first section deals with definition of higher education. The second section will look into the importance of higher education while the third section included those studies which examined the growth of higher education. The fourth section deals with globalization and its impact on higher education system in general and Indian higher education system in particular. Fifth section included those studies which respectively deal with privatization of higher education. The studies related to expenditure on higher education have been reviewed in the sixth section. In the seventh section those studies have been included which examined international student mobility. Section eight included those studies which reviewed the problems of Indian higher education such as quality, equity and regional disparity etc. The last i.e. ninth section included those studies which focussed on reforms in higher education in India.

2.3 Definition of Higher Education

The definition of higher education approved by the General Conference of UNESCO at its 27th session (Nov. 1993) on the recommendation of the recognition of studies and qualifications in higher education is “Higher education includes all type of studies, training or training for research at the post secondary level, provided by universities or other educational establishments that are approved as institutions of higher education by the competent state authorities”.

According to Chanana (2004) in the book entitled “Transformation Links between Higher and Basic Education” states that higher education is more easily understood as ‘Tertiary Education’. Here, it includes all institutions which impart post secondary education. She further explains, “Higher education system in India consists of colleges, universities, institutions of national importance (such as Indian Institute
According to Chakravarty (2007) Higher education consists of three years of education (after 12 years of school education) leading to a Bachelor’s degree in arts, science and commerce, four years in professional fields like engineering and five years in the field of medicine. This is followed by two years of study for a Master’s degree; and at least three years beyond the master’s degree for a PhD degree, which generally takes longer. Some Universities have provisions for a pre- PhD, M.phil degree course of two years. There are also post-graduate diplomas programmes open to graduates. Certain professional programmes like those in education and law requires a first degree as a pre-condition for admission in most of the places.

2.4 Importance of Higher Education

The importance of higher education was well perceived by planners and academics in India. The approach paper of the steering group, planning commission for the ninth five plan states in its opening sentence:\(^1\): “The crucial role of higher education in the process of development and modernisation was well recognised from the beginning of Indian planning (1950-51). This recognition is abundantly evident in the observation of its first prime minister, Jawaharlal Nehru that, if all is well with the universities, it will be well with the nations”.

The study conducted by World Bank (1994) titled “Higher Education: The Lessons of Experience” state that “higher education is of paramount importance for economic and social development. Institutions of higher education have the main responsibility for equipping individuals with advanced knowledge, and skills required for positions of responsibility in government, business and the profession...Estimated social rates of returns of 10 per cent or more in many developing countries also indicate the investments in higher education contribute to increase in labour productivity and to higher long-term economic growth, which are estimated for poverty alleviation”. It goes on to add, “higher education investment is important for

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\(^1\) Government of India (GOI), Planning Commission, 1961.
economic growth. They increase the individual’s productivity and income as indicated by rate of return analysis, and they also produce significant external benefits not captured by such analysis, such as long term returns to basic research and to technology development and transfer.” Therefore the importance of higher education is recognised in national development.

Tilak (2003) in his article entitled “Higher Education and Development in Asia” studied the importance of higher education and found that higher education has very significant role in the development of the societies- in terms of economic development, human development, improvement in health, life expectancy and reduction in fertility, infant mortality and poverty. Moreover it helps through teaching and research, in the creation, absorption and dissemination of knowledge.

The study conducted by Kumar and Sharma (2003) in their article titled “Downsizing Higher Education An Emergent Crisis” also stressed the importance of higher education and stated that higher education improves individual’s lives and enriches wider society, raises productivity and wages that makes individual and country richer. Besides this good governance; stronger institutions and developed infrastructure are not possible without highly educated people. It promotes an open, merit-based civil society. Higher education enables rejection of indiscrimination based on gender, ethnicity, religious beliefs and social class. A society that wishes to build and maintain a pluralistic accountable democracy will benefit from strong higher education sector.

Gupta (2004) in his article entitled “Higher Education in India in the New Millennium” reveal that, higher education has special value in the emerging knowledge society. It contributes directly as well as indirectly to the wealth of nation. In this paper, the author quote a study of World Bank conducted in a year shows that, in 192 countries, physical capital and natural wealth account for only 16 per cent and 20 per cent respectively of the total wealth, whereas human capital account for the rest of 64 per cent of the total wealth. In fact, there is a direct relationship between the extent of human capital and economic prosperity. Thus, it can be concluded that higher education is an important element of human capital which led to the national growth and overall economic development.
Tiwari and Kumar (2011) in their article “Higher Education and Economic Development in India- In the Backdrop of Globalization” found that, higher education improves the quality of labour as a factor of production and permits technological development. Further, it enhances productivity, economic growth, quality of jobs, earnings of individuals and contributes to economic development. Higher education also makes significant contribution in the reduction of absolute as well as relative poverty and inequality.

Twelfth Five Year Plan (2012-2017) also states the importance of higher education that, it is critical for developing a modern economy, a just society and a vibrant polity. It equips young people with skills relevant for the labour market and the opportunity for social mobility. It provides people already in employment with skills to negotiate rapidly evolving career requirements. It prepares all to be responsible citizens who value a democratic and pluralistic society. Thus, the nation creates an intellectual repository of human capital to meet the country’s needs and shapes its future. Indeed, higher education is the principal site at which our national goals, development priorities and civic values can be examined and refined.

2.5 Growth of Higher Education

Higher education in India has witnessed multifaceted increase in institutional capacity since independence. The Indian higher education system is one of the largest in the world in terms of institutions and second largest in terms of enrolments (Ernst & Young, 2012). This has helped the country to become the third largest pool of scientists and technologists in the world. The government policies and the opportunities that are created by the government for higher education have made the system very large. Growth of higher education is very important aspect while discussing its various other aspects. So it is necessary to have a look on growth of higher education in India.

According to various UGC and MHRD Annual Reports, Higher education in India has expanded at a very fast rate, in terms of the number of institutions, enrolments and teachers, since independence. The number of universities in India increased by 25 times from 20 in 1948 to about 504 in 2009-10. Similarly, the number of colleges has increased from 496 in 1948 to 25,951 in 2009-10 indicating 52 times increase. Thus, the number of universities and colleges are steadily increasing.
Similarly, the student enrolment during the same period increased from 100,000 to 13,642,000. There has been a considerable improvement in the enrolment ratio from 1 per cent in early 1950s to about 12 per cent in 2009-10. The number of teachers has also gone up from around 24,000 in 1950-51 to 589,000 in 2009-10. These figures clearly shows that there was a continuously increase in the number of teachers in universities and colleges, which is due to expansion of institutions and increase in intake capacity of existing courses.

Ernst & Young-EDGE (2011) Report titled “40 Million by 2020: Preparing for a New Paradigm in Indian Higher Education” analysed the growth of higher education in India and found that India has one of the largest higher education systems in the world. Universities have grown at a constant compound annual growth rate (CAGR) of 5 per cent over the periods from 1950-51 to 2009-10. Similarly, colleges in India have grown at a higher CAGR of 6 per cent between 1950-51 to 2009-10. Private unaided colleges, which form a significant share of the total number of colleges, are rapidly growing in number. Enrolments in higher education have also shown a relatively steady CAGR of 6 per cent for over 20 years between 1985-86 and 2009-10. However, despite having such a large number of institutes, India’s Gross Enrolment Ratio (GER) still lags at 12 per cent in 2010, which is less than the global GER average of 26 per cent. Yet, in terms of GER, India also lags behind most developed/developing countries (like China). The government has set itself a highly aggressive target of achieving 30 per cent GER by 2020, which translates into an enrolment of 40 million students in the higher education system.

Komow et al. (2012) in an article entitled “Journey of Higher Education in India: An Analysis of Post-Independence Era” found that, in the post-independence era, higher education in India has witnessed some credible achievements in the field of higher education resulting into overall growth in the status of higher education but at the same time has resulted into bigger problems and issues in the field. Undoubtedly, manifold increase in the number of institutions of higher education, yet the accessibility to higher education in the country has not achieved the desired standards. The author also shows wide variations in urban and rural accessibility and suggests for expansion of institutions in rural areas in order to bridge the gap between the rural-urban accessibility disparities. The author further states that there has been
considerable increase in the number of teachers in higher education institutions, but this increase gets nullified in the face of number of required teacher’s strength. Majority of the universities and colleges were running with skeleton staff which was supplemented with contractual or Adhoc facility, leaving much to be desired. The study suggests that, institutions of higher education must have the required staff as per laid down norms to meet the needs of the research and students alike. However, present status of higher education in India cannot be seen in isolation; isolation from ground realities and from global realities, thus, a proper policy is needed to address these issues breeding in the field of higher education.

Upadhyay (2007) in his paper “Wastage in Indian Higher Education System” studied that despite some improvement in enrolment rates over the decades; at the end of 2000 hardly 9.28 per cent of boys and 6.71 per cent of girls belonging to the relevant age group in the country had been enrolled in higher education institutions. She attempted to examine as to whether it is demand-side constraint in terms of lack of demand for higher education or the supply-side constraint in the form of inadequate access to higher education that is more important in explaining the low level of enrolment. This has been examined particularly in the context of women as the female student rate of participation in India has been much lower than that of the males at all levels of education.

2.6 Globalization and Higher Education

Globalization has tremendous impact on the entire education system especially on higher education in the developing countries. It is difficult to assess not only the nature and dimensions of globalization, but also the impact of globalization in the field of education. It appears as though the phenomenon of globalization means many different things for higher education. Globalization has made a paradigm shift in the regulation of higher education. Under World Trade Organization (WTO) and General agreement on Trade in Services (GATS) regime, the Indian higher education has been made market oriented. Most certainly, in the near future, “it will mean a very competitive and deregulated educational system modelled after free-market but with more pressure on it to assure that the future workers is prepared for some fluid jobs in the free market of 21st century (Sagar, 2005). The studies reviewed in this section
focus on the impact of globalization on higher education in general and Indian higher education in particular.

Stewart (1996) in his article “Globalisation and Education” analyses the links between globalisation and education. The study found that, growth of the global economy has increased opportunities for those countries (chiefly in East and Southeast Asia) which have good levels of education, but made growth more difficult for countries with weak levels of education. Countries with good human resources, high savings and good economic policies have attracted foreign investment and technology, and have experienced fast growth in exports of manufactures and in output per capita. Conversely, countries with weak levels of human resources have found it more difficult to succeed and many, especially in Africa, have experienced falling per capita incomes. Globalisation has made it more difficult to build up educational levels in these countries, as public expenditure has been cut during adjustment.

Hence, virtuous and vicious cycles of development have emerged, countries with good spread of education leading to high growth and generating resources for further development of education and conversely, countries with poor human resources having low or negative growth and reduced potential for building up their educational system.

Altbach (1999) in his article titled “The Perils of Internationalising Higher Education: An Asian Perspective” studied the current wave of globalized higher education and found that, it is essentially motivated by profits rather than by either government policy or goodwill. Its goals are to meet market demand and to create a market position for a variety of educational products. Further, the study examined that universities from the developed countries are offering ‘off-shore degrees’ in collaboration with non-educational institutions, that the internet is being used to deliver degrees; that there are few controls concerning quality; and these programmes are being offered not only by respected institutions but also by low-prestige schools simply selling worthless certificate.

Carnoy (2000) in his study titled “Globalization and Educational Reform” identified the following changes in education on account of globalization. In financial terms, most governments are under pressure to reduce the growth of public spending
on education and find other sources of funding for expected expansion of their educational system. In educational terms, the quality of national system of education is increasingly being compared internationally. This has placed increased emphasis on math and science curricula, standards, testing and on meeting standard by changing the way education is delivered. In labor market terms, the payoff to higher levels of education is rising worldwide as a result of the shifts of economic production to knowledge intensive products and processes. This, in turn, places increased pressures on governments to expand their higher education system.

The study conducted by IAU (2000) titled “Towards a Century of Cooperation: Internationalization of Higher Education” shows that in the emerging contemporary scenario, higher education is being increasingly treated as a commercial commodity, offered at high price at the national level and as a tradable product across borders, to those who can afford it. This has resulted in emergence of new types of providers, innovative methods of delivery and new types of partnerships, presenting new challenges in framing policies and regulations to monitor and enforce quality standards to the educational process. This shows that, the current trends indicate domination by commercial and financial interest, in which the globalised higher education is motivated by profit.

Arnold (2001) in his article entitled “Globalization of Higher Education: What does it means for Higher Education” analysed that, due to globalization higher education is no longer constrained by national boundaries. Innovative forms of transnational education, internet based distance learning, branch campuses, educational franchising have greatly expanded opportunities for students to study and learn outside their country of origin. The study further observed that, there is increasing global competition for the “Best and Brightest” students because now more and more countries are recognizing their economic potential of higher education for the service export sector. For the first time in history, large segments of the world’s student population have truly access to a global market place of higher education. At the end of this article, the author suggested some pathways like Policy Reform, Partnership and Innovation and Leadership by which India can achieve tangible gains from current global trends in higher education without sacrificing its national goals for higher education development. Thus from the above study we can conclude that
there is no single simple pathways by which India can reach its global future, but instead multiple pathways that can lead towards “a world in one nest”.

Altbach (2001) in his paper titled “Higher Education and the WTO: Globalization Run Amok” examined negative outcomes of globalization. The study found that today, trends such as the rise of the internet and the globalization of knowledge have the potential for creating severe problems for academic institutions and systems in smaller or poorer nations. Globalization has divided the world into centres and peripheries, the centres grow stronger and more dominant and the peripheries become increasingly marginalized. Inequalities grow in a more pronounced manner. The study concluded that, globalization has divided world into two centres, one English speaking country (the USA, the UK and Canada etc.,) and another peripheries including developing and underdeveloped countries. The norms, values, languages, scientific innovations and knowledge product of the countries in the centre crowded out other ideas and practices. There is a little scope for academic system to grow independently in the increasingly competitive and fast moving global higher education scene dominated by the industrialized developed countries. Globalization in higher education exacerbates dramatic inequalities among the world’s universities. In a WTO controlled regime, the real danger of the universities in the developing world being swamped by overseas institutions having intention of earning a profit but not in contributing to national development.

In different article entitled “WTO, GATS and Higher Education: An Indian perspective”, Powar (2002) gives an overview of GATS and then examined higher education under GATS. The study shows that, traditionally higher education has been supported by government services. But now, in most countries government started to withdraw from their commitment to higher education and private interests are taking over, especially in case of professional education. Due to the entry of private sector in education sector, higher education has taken the form of business with commercial interests. This is true both at national and international levels. In fact, the significance of GATS lies in the growing internationalization of higher education. International higher education has become a lucrative business. In 1992-93 the U.S gained US$ 6.1 billion through the presence of 438,000 students on its educational campuses. In 2000 the number of students increased to about 514,000, the annual gain may have been
nearer to US$ 10 billion. It is estimated that in the same year international students studying in Australia contributed net economic benefits to the Australian economy worth a $3.2 billion. This shows that, with the adoption of higher education services under GATS, internationalization of higher education has gained momentum.

Sreekantaradhya (2003) in his paper “Globalization and Education” analyzed the mixed effects of globalization on Indian education system. Study found that there are many advantages from the globalised education system. From academic point of view, it facilitates enrichment of curriculum and cross fertilization of ideas and also provides opportunities for utilizing the best facilities available for research. From economic point of view, it helps in meeting the demands for well-trained and modern labour force which will have a high degree of mobility and promotes trade in educational services. The study also shows that globalised education system poses certain threats about which great care is necessary. Free-mobility of students and scholars might result in greater outflow of talent from developing countries to developed countries and further accelerate the problem of brain drain, there is also a possibility of greater outflow of information from the developed countries to developing countries and this unidirectional flow might pose a threat to indigenous and traditional knowledge and values. Foreign universities establishing their campuses might attract talented students and in this process the importance of local institutions might be undermined, etc. Further, the author studied several measures for meeting the challenges of globalization, out of which, he laid emphasis on these two measures- 1) Pressure for more and better educational facilities and 2) To provide quality education, through which India can successfully compete the challenges of globalization

Somashekar, S. and Vinodh Kumar G. C. (2012) in their paper “Globalization and Its Dimension of Education Inequalities: With Special Reference to Karnataka” found that, in India, higher education has been beneficial for some but not for all streams of the society. There is a need to make the process more inclusive because some millions of people in the country have seen almost no rewards. The results of globalization are mixed. The benefits have not reached the majority and new risks have emerged for the socially deprived and rural poor. It has also created socio-economic and cultural disparities in the society. The disparities are found in creating a
gap between caste, class and communities. The present education system has failed to inclusive of equal opportunity to entire section of the society. This development has led to the unequal distribution of socio-economic standard of the society. Thus, there is a need to study inclusive of all sections of the society for providing equal standard of education and equal opportunity for the major sections of the society for the development of nation.

UNESCO Education Position Paper (2003) entitled “Higher Education in a Globalized Society” examined the impact of globalization on higher education which provides both opportunities and challenges depending on the priorities, policies, resources, strength and weakness of countries. The Opportunities are as follows: increased supply of education and greater access for students, support for the knowledge economy, development of joint-degrees, fusion or hybridization of cultures, growing comparability of qualifications, increasing role for market based approach, economic-benefits for education providers and diversification and generation of new academic environments. The challenges are as there: concern about quality of provision, inequality of access leading to a two-tier system, the growing problem of physical and virtual brain-drain on the developed country-developing country axis but also on other routes, homogenization of culture, weakening role of the state in establishing national policy objectives, growth in market-oriented programmes such as business and information technology and decline in some liberal arts and pure science disciplines. It is true that what might be seen as an opportunity for one country could be a challenge or risk for another. It is suggested that to obtain benefits from globalization, a proper policy at the national level is needed to regulate and monitor certain aspects of cross-border provision such as registering and licensing of foreign providers. Good governance and solid economic and social system are also becoming even more essential in the context of globalization and international trade of higher education.

Pani (2005) in his paper “Globalization of Higher Education: An Indian Perspective” traced out the impact of globalization on Indian higher education and found that with the spread of globalization, the Indian higher education has undergone a significant changes. There has been a considerable shift from a traditional & conventional type of campus based university to an internet based virtual university
and from time specific and space confined education to a more flexible, continued and perceptual education. There has been also a high degree of student mobility and many educational campuses are being opened in other countries. Institutional collaborations, networking, internet based distance learning and franchising the educational institution abroad for running foreign programmes and awarding foreign degrees etc, have gained considerable importance after the introduction of globalization. The traditional objective of higher education has undergone a substantial change, like free and unrestrained pursuit of knowledge and its dissemination, developing skills, inculcation of values and developing leadership qualities etc have been superimposed by marketisation, commodification and commercialization of education. In order to cope with this new objective, the institutions of higher education have gone far away in making structural adjustments and systematic changes.

Further, the study analyses international students in India and found that there is very uneven distribution of international students across different institutions and regions. The largest concentration of foreign students is observed in the institutions located in Western and Southern part of India but very few in Northern and Eastern part, which is not a very encouraging trend. Therefore, in order to overcome this discouraging trend the author has suggested a number of measures; (i) The institutions located in other regions must put conscious efforts and create a conducive climate for the foreign students and these institutions should structure their course in general and technical courses in particular with international orientation and (ii) These institutions need to be well equipped with proper infrastructure facilities, world class technologies’ as well as well qualified faculty to internationalize their courses/programmes etc.

Bhattacharya and Bhunia (2005) in their article entitled “Threats and Opportunities in the Higher Education in the Context of GATS” observed the two immediate consequences of General Agreement on Trade in Services (GATS) on education sector. These are - Privatization of higher education and International trade in higher education mainly carried out by private institutes/universities rather than government institutes or universities.

The study also discusses several opportunities and challenges in the education sector due to GATS. The opportunities are as follows- mainly due to financial crunch,
the meritorious and poor students of the developing countries are not able to study at the universities of developed countries. But due to GATS, the universities of the developed countries are opening branches in the developing countries that will provide a scope to the students of the developing countries to study at relatively low cost. It has also advocated active university-industry relationship that can overcome the resource crunch for R & D activities. Due to GATS, the private participation in education sector increases and which further increases the opportunities for higher studies and this may also increase the enrolment figure comparable to other developing countries. The challenges are as follows- GATS have also created a gap between haves and have-nots in higher education. Those students whose families have high income can avail the opportunity of studying in top private universities while those meritorious students whose families are poor will not benefit from higher education opportunities offered by the private universities because of high tuition fees. GATS advocated international trade in higher education services but he observed that trade has amply become unidirectional i.e., trade by developed countries in the developing countries for example only in Dhaka City of Bangladesh there are 42 centres of foreign universities but there is no such centre of any Bangladesh university in foreign country. This shows that all the benefits of GATS inclusion of higher education services will go to the developed countries. The study concludes that globalization has a mixed-blessing on higher education system. On the one hand it increases greater access to students for wider ranges of educational opportunities both at home and abroad and also leads to a reduction in knowledge gap in developing countries. On the other hand, globalization has made higher education market oriented.

Nayyar (2007) in his paper “Globalization: What does it mean for Higher Education?” found that, market forces which are driven by the threat of competition or by the lure of profit have led to the emergence of higher education as a business. It is clear that market and globalization are transforming the world of higher education. Student choices are biased towards higher education over time and they display their strong revealed preference towards those courses of higher education that makes them employable. The popularity and the availability of the courses are thus being shaped by the market. Similarly, markets are also influencing the research agenda of universities. The study concluded that, globalization has made higher education
market oriented and today market is playing an important role in shaping the content of higher education. The study suggested that, we should not allow market and globalization to shape higher education. Instead, we should shape our agenda for higher education so that we can capture the opportunities and avoid the dangers unleashed by markets and globalization.

Narayan and Pandey (2008) in their paper “Impact of Globalization on Higher Education” have cited some of the important impacts of globalization on higher education. Globalization brings rapid development in technology and communications, foreseeing changes within the learning system across the world. Values, ideas, knowledge, roles of students and teachers all under changes producing a shift in society from industrialization towards information based economy. Globalization also lead to the innovative forms of transnational education like internet based learning, educational franchising, global competition for brightest brains along with the market place for higher education, which have greatly expanded opportunities for Indian students, outside their own country of origin.

The study examined that in the 21st century, the great contribution of globalization is Information Technology (IT) and without IT system Indian higher education would lag behind the developed world. However it is an expensive approach and remains beyond the purchasing power of most Indian students. This shows that, the use of this advanced technology in India without its decentralization would lead to inequality in learning and the outcome would be disproportionate growth of poor in society. Thus the impact of such a globalization is dangerous. Globalized higher education has led an adverse effect on our culture, the ethos of social welfare and even the quality of Indian education system. The impact of globalization on higher education can also be seen on curriculum development, as new curriculum is based on the lines of the foreign universities. Indian universities are facing crisis due to continued expansion, deteriorating standard, limited resources, political involvement, etc therefore the changes in curriculum, as a result of globalization, cannot hold good. It also advocates privatization of higher education without realizing the dangerous possibility of converting the education system into a commercial enterprise.
Anandkrishnan (2008) in his paper “Promises and Perils of Globalised Higher Education” studies various perceptions of globalized higher education. These perceptions primarily relate to trade, investment and finance among nations as well as their influence on a variety of developmental sectors, such as health, education industries, environment and culture, etc. The most prominent among them are privatization, commercialization, market-orientation and profit-making. The inclusion of education as tradable services within the GATS has given additional momentum to this process. The study pointed that countries like India see commercial opportunities in the globalization process and hence show ambivalent attitude towards foreign education providers in India. There is no clarity about the benefits and costs of international educational programmes offered in India, raising serious concerns about the quality, credibility and value of many of these foreign programmes. The author fears that the presence of foreign providers may decrease public funding for higher education jeopardizing domestic public funding institutions of higher education.

Verma (2008) in his paper “University Education in the era of Globalization: Some Challenges” analysed the impact of globalization on university education and found that the process of globalization has brought mixed-blessing to university education system in the following way- a) It has led to the improvement in the overall quality of university education due to competition generated by global sharing of knowledge, skills and intellectual assets; b) Greater access to students for wider ranges of educational opportunities both at the home and abroad; c) Reduction in knowledge gap in developing countries and increase in access to university education; d) Motivating universities to revamp curricula to reflect the need for international understanding and e) Creation of values and enhancement of efficiency through the global sharing of knowledge and giving mutual support in the distribution of knowledge for the purpose of meeting local needs and ensuring growth etc. Globalization has also created challenges for university education and these are as follows- a) Gradual privatization of public institutions due to curtailment in state funding as well as seeking for alternative sources of funding; b) As per GATS rule, public funding is equalled to unfair subsidy, which led to decrease in government funding, resulting into the jeopardizing of the public-funding domestic institutions; c) Challenges are also involved in restructuring of academic courses, introduction of modern teaching and learning methods, curricular design and upgradation for
meeting needs of fast changes. The study concluded that in globalized era, the basic changes emanate from the traditional paradigm of site bounded education to the new paradigm of triplication, i.e., Globalization, Localization and Individualization in education.

Amin (2008) in his paper “Higher education under WTO regime: An Indian perspective” provides a glimpse of general scenario of higher education in India. An overview of GATS and its provisions related to higher education has been also discussed. Further, the study examined advantages and disadvantages of international trade in higher education services via import and export interest in education services. Study found that, exports (via consumption abroad) could help in generating resources, creating employment opportunities and raising standards in the education sector etc., but this can also put strain on already scarce financial resources allocated for higher education. Similarly, exports of education through outflow of teachers and trainers could generate foreign exchange and remittances for the country but if these outflow is permanent than it will increase the existing problem of shortages of human capital and also drive down the quality of education services on domestic front. The study also shows that, imports of education (via commercial presence) can help in generating resources for investment and expansion of facilities in education sector.

Moreover, the overseas universities coming to India are more interested in trading higher education than disseminating knowledge. The quality of education provided by the foreign institutions will be costly and can be affordable only by the elite class of the society. In other words, globalised higher education is meant only for those who can afford the exorbitant cost but not for all. In this process, higher education loses equity and get restricted to the privileged sections of the society. This led to categorization of students which is harmful for the social-set-up of the country in the long run and may lead to ‘dualism’ in education sector. This ‘dualism’ leads to social tension and goes against the very ethos of democracy. Thus, the consequences of globalization are alarming for the higher education sector. The study concluded that, Indian education sector is not yet fully developed to actively participate in the exports of higher education services. Finally, study suggested some of the strategy which can make India’s educational system more competitive and could prove a driving force for India’s international trade in educational services.
Paul (2009) in his paper “Internationalisation of Higher Education: Strategic Implications” presented an overview of the modes of internationalisation of higher education. He argued that India’s strategy with regard to internationalisation of higher education should be based on its potential to be an effective aid to the mitigation of the basic problems facing our higher education sector. Study found that, liberalisation policies that open up the sector to foreign investment and permit the unregulated entry of private players will have only a marginal impact on the sector’s basic problems such as access and quality. So far, these policies have induced foreign providers to focus only on certain technical and professional fields of study that can earn them good market returns. Therefore, it is better to design a strategy that taps foreign universities and institutes of acceptable quality to work together with Indian universities/institutes to improve both access and quality. Augmenting and strengthening the capacity to produce more faculties in selected fields through such partnerships will help public universities play a more effective role in higher education. This approach, however, will call for strategic investments by governments in these universities and to pay for the services of the foreign partners.

The study conducted by Kiran (2010) entitled “Globalization and Indian Higher Education” looked at the impact of globalization on higher education and found that due to globalization, education, particularly higher education in developing countries falls within the ambit of WTO and GATS 1995 which put education as a tradable commodity and promoted cross border higher education having its merits and demerits. Merits can be seen in the form of improvement of quality due to competition, provision of wider access to higher education in country and abroad, promotion of flexibility in learning as a result of collaboration of scientific and technological advancement like ICT in higher education, reduction in knowledge gap, release of state fund for the reallocation in other priority areas due to active participation of private and multinational players in higher education and reinforcement and strengthening of national regulatory framework to cope with the international demands. Demerits can be seen in the form of increase in the cost of higher education to the students, supporting the inequality by providing a two tier system- one for the rich and another for the poor, risk of indifferences, interest of foreign providers in cheap programmes with low infrastructure investment and emergence of “degree-meal” with the programmes of dubious quality and finally a
paradigm shift of higher education from a ‘missionary approach’ to ‘mercenary approach’. In the last, author wanted to say that Indian education system is facing new opportunities and challenges in terms of competition with global institutions. Therefore, in the arena of globalization, education, particularly higher education should be design in such a way that it can deal with the current challenges and contribute in national growth and development.

Deodhar (2002) in his article “Educational Services: Issues for India in the WTO Negotiations” examined the precedence, possibility and need for trade in educational services. The study then discussed the two-way classification of trade in educational services- namely the educational categories and the modes of trade are also discussed. First the WTO classification list (W/120) describes five categories, namely, primary, secondary, higher, adult and other education. The second classification is based on nature of trade in educational services. Article 1.2 of GATS classifies trade into the following four modes- (1) Cross-Border Supply (2) Consumption Abroad (3) Commercial Presence and (4) Movement of Natural Persons. Further, an attempt has been made on qualitative assessment of the competitiveness of the Indian educational system within the two-way classification of trade in education and strategic safeguards available to India to counter any strong adverse impact that might be felt by opening up trade in educational services. In this regard the author is of the view that the quality of testing services is well demonstrated by all India qualifying tests such as the Common Admission Test (CAT) of IIMs, (National Eligibility Test) NET of UGC-CSIR etc. It is advocated that India must put in its proposal to include commitments on movements of teachers and researchers both at the secondary and higher education level. Regarding strategies for proposal, the author suggested that India should endorse the US view of including educational testing services to be included in the country’s commitments. However India should ask for phased liberalization.

The study further discussed the strategies for domestic resources and suggested that- (1) A database should be developed on all categories of education regarding number of educational institutions, their enrolment (foreign and domestic), faculty strength, financial resources, quality and accreditations; (2) Modernisation of
educational testing services such as CAT, GATE, JEE and NET with GRE, GMAT and TOFEL; (3) Improvement in educational infrastructure on priority basis.

Bhushan (2004) in an article “Trade in Education Services under GATS: Implications for Higher Education in India” examined the pros and cons of higher education in India under World Trade Organization (WTO) landscape. The article discusses four modes of GATS through which higher education could be provided and also analysed subject-wise implications of trade in higher education under GATS. It also talks about the technical aspect of limitation for the market access and national treatment. The study has not illustrated how the various modes shall not hamper the smooth running of higher education at domestic echelon of Indian economy.

Ahmad & Rizvi (2007) in their article “Internationalization of Higher Education under WTO: Problems and Prospects’ examined that, higher education sector has been changed to a large extent due to the establishment of WTO and adoption of a liberalized trade regime. Higher education no longer remains a noble and nation building process; however it is transformed into a profit-making venture subject to international treaties and negotiations. The developed countries are eager to reap the advantages of such trade while developing countries are doubtful and wary of the impact on their economies. The author suggested that, developing countries must gear themselves up to face the challenges posed to their higher education sector. While, there are inherent fears of trading and competing with global giants, but there are at the same time benefits and immense opportunities that globalization offers. Therefore, developing countries should avail the opportunities and reap the benefits of a liberalized trade scenario.

Tilak (2011) in his booklet ‘Trade in Higher Education: The Role of the General Agreement on Trade in Services (GATS)’ provides a detailed analysis of the internationalization of higher education under the GATS framework. It is an attempt to provide a deeper understanding of the GATS mechanism. Hence, a critical assessment of the strengths and weakness of the GATS mechanism, along with a detailed discussion of the several provisions of the GATS framework, is attempted here. Further, the study discussed how GATS works for education services. The implications of bringing education under the purview of the GATS from the standpoint of developing countries are also discussed here. The author also examined
the issues related to trade in education services and points the positive and negative aspects of trade based perspective to higher education provision. He argues that, the developed countries have disproportionately benefited from trade in education services while the disadvantages chiefly affect developing countries. At the end, study offers some suggestions, which may interest policy makers from developing countries.

2.7 Privatisation of Higher Education

Privatization by definition is a continuous process. Generally, it means the process of moving from public ownership, financing and control to private ownership, financing and control of varying degree (Azad, 2002). Privatization of higher education is not a new phenomenon. In many countries of the world, the private sector has come to play a major role in higher education sector. With the introduction of New Economic Policy 1991, the government paved the way for privatization. This led to the increase in the number of private educational institutions in India (Anandkrishnan, 2006). The studies conducted so far on privatization of education caution that it must be handed carefully, as, it may lead to dangerous effects like commercialization of higher education, interference of politics and neglect of weaker sections, etc. In this section few studies on privatization of higher education are reviewed.

Datt (1993) in his paper “Aspects of Privatization of Higher Education” stressed on the need for privatization of higher education on these grounds- a) Rapid expansion of enrolment has put great burden on the government, so to share the financial burden, privatization is needed; b) Privatization is more flexible, sensitive, efficient and more qualitative than public sector educational institutions; and c) Private institutions can generate greater responsibility among students by charging full or near full cost of education. The study put some conditions for privatization- (1) The state must impose reasonable restrictions on private institutions so that privatization will not degenerate into commercialization; and (2) Private sector institutions must be asked to take affirmative steps towards education of weaker sections through various measures as directed by the government. In the last part of paper, the study suggested for rise in tuition fees, and other fees which are stagnated
and also to impose an ‘educational cess’ or ‘graduates tax’ on employers. The study concluded that privatization is needed but with some control.

Tilak (1993) in his article entitled “Myths and Facts about Privatization of Higher Education” find that privatization of higher education is not a new issue but it has gained more importance recently due to declining public budget for higher education and increase in social demand for higher education. The demand for higher education has gone up due to, 1) Excess social demand versus public supply and 2) Higher demand for different quality and content in education which he calls as ‘differentiated demand’. In this article, the study mainly concentrated on some myths and realities about privatization of higher education. The myths discussed in detail by the author are- a) There is huge demand for private higher education as it is qualitatively superior to public education; b) Graduates from private universities received high rewards than from public universities; c) Private universities provide relief from financial burden to the government; d) The private sector higher education responds more quickly to the market demand to provide relevant types of education; e) Private enterprises have genuine philanthropic motives in opening private colleges and universities. They also make huge investment in higher education; f) Privatization of higher education improves income distribution in the country; and h) Private education is elitist and caters to the needs of the wealthy.

The author denies all the above myths except the last one, which is also not universally true. He concludes that privatization does not mean an end of all ills. Thus from his study the following points can be emphasized-. With a remarkable rise in the enrolment and declining public financing for higher education, privatization has become necessary. However, he pleads for the need for privatization in the present context but utmost care is necessary because, the pro-privatization zeal may lead to dangerous effects like commercialization of higher education, interference of politics in education and neglect of weaker section of the society, etc. Tuition and other fees should be raised keeping in mind the interests of weaker sections.

Anand (1999) in the paper “Privatization of higher education in India: Rationale and Perspective” has emphasized the rationale and perspective of the privatization of higher education in India. The study highlighted the issues such as broadening access to higher education, ensuring equity in higher education, the
financial crunch and the move to privatize higher education as a remedial measure. In India, the proportion of the student going to universities and college in the relevant age group of (16-23) was only 6 per cent as compared to 20 per cent for both Egypt and Thailand, 10 per cent for Turkey, 11 per cent for Brazil and 16 per cent for Mexico and nearly 40 per cent in the developed countries. Though, there is ‘mushroomed growth of universities and colleges, SCs and STs Groups and OBC enrolment did not improve much. They are still very much under represented. Thus, the twin issues of access and equity needs to be tackled by adopting alternative strategies.

Giving the political angle to privatization of higher education in India, Kapur and Mehta (2004) in their article entitled “Indian Higher Education Reform: From half–Baked Socialism to Half-Baked Capitalism” examined the political economy of Indian higher education system and said that, present day privatization is not any requirement or is not a result of change in ideology for good, rather it is because of breakdown of the state system and an exit of Indian elites from public institutions to both private sectors in country and abroad. They have pointed towards inapt governance that has reduced the quality and autonomy of institutes leading to decline in philanthropy and moved towards direct privatization.

Mishra (2004) in his paper “Privatisation of Higher Education: Issues, Problems and Possibilities” discussed the argument against and in favour of privatisation. The study found that privatisation distorts and subverts the core mission of college/university. It accentuates inequality and enhances the gulf between the elite and the poor masses. They emphasis more on profit and runs on the principles of market and commerce. Privatisation favours complete marketisation of higher education which goes against the constitutional obligation of providing equal opportunities of education to all etc. Despite the supposed ill-effects of privatisation as mentioned above, there is also positive benefit, privatisation lead to-improvement in the quality of higher education due to competition, use of IT and communication technology for spread/exchange of educational packages, and increased access to higher education and reduction in knowledge gap in developing countries, etc. Thus, it is true that neither public nor private sector alone can take care of our higher
education system in India but a harmonious co-existence of both can serve the purpose better.

Kalatippi, (2004) in a different paper “Privatisation of Higher Education in India-Emerging Issues and Challenges” first discuss the multiplicity of causes which influenced privatisation and these are as follows- 1) Apathy of government for higher education; 2) Strain on public resources; 3) Failure of colleges and universities to fulfil competitive efficiency; 4) Changing market character; 5) Interference of bureaucrats and politicians; and 6) Internationalization of higher education. Further the study examined various trends which show that after the period of economic reform, government expenditure and planned expenditure on higher education has declined. Thus, all this trends clearly reflect the government apathy for higher education. However, there is absence of a clear coherent long term policy perspective which may lead us to conclude that government is marching towards laissez-faireeism and thereby encouraging private sector in higher education.

The author on the basis of his analysis has suggested that privatisation in higher education should be encouraged in India but with close government regulation and at the same time it should not encourage commercialisation. Privatisation which ensures social justice in higher education to all class of people and fights against its challenges is most welcome.

Tilak (2005a) in his article entitled “Higher Education in Trishanku Hanging between State and Market” examined the important role played by the state in higher education in the developing countries. The study revealed the conflict and relationship between the public and private sector in the field of higher education and describes how higher education is moving from state to market and making it a profitable business in globalized and liberalised economy. Today, higher education systems in many countries of the world are at cross roads due to uneven spread of educational institutions with various problems like lack of funds, outdated curricula, political interference on one hand and inconsistent policy and changing market character on the other. The strong wave of globalization and trends in internationalization of higher education have added fuel to fire and stressed the need to develop a strong and vibrant higher education system. Many consider the public sector to be inefficient in the field of education and correspondingly the private sector as efficient and therefore
desirable. But the author strongly criticise this argument which favours the role of private sector and strongly advocates the role of public sector because it provides essential service in the fields where private sector does not see huge profits. Besides this, state provision of higher education is advocated on the grounds of providing equality of opportunities otherwise it becomes playground of the wealthy. Education is found to be an effective instrument for equity. The concern for equality of opportunity has led to the almost universal agreement that the government should subsidize education. He, however, argued that any significant reduction in the role of the state in higher education is neither feasible nor desirable. Though, it is imperative on the part of the state to play a dominant role in the provision of higher education and to yield no place to market mechanism in higher education.

2.8 International Student Mobility

International student mobility has became an increasingly important part of the global higher education landscape. More than 70 per cent of the international students have enrolled in institutions in countries like US, UK, Germany, France and Australia etc. India currently only hosts a small number of international students, but the country has the potential to host many more. This section reviews studies which focus on international student mobility:

Agarwal (2010) in his paper “Internationalization of Indian higher Education” examined patterns and trends in outward and inward student mobility and found that number of Indians who leave the country to study have increased over the years. In just 40 years there has been a twenty fourfold increase in the number of Indian students abroad, from 11,192 in 1965 to 2,68,000 in 2008. But it is still less than China, where the numbers sharply grew from a few thousand in 1960s to 417,350 in 2008. Currently Indian students constitute about 7.5 per cent of the world’s mobile students. In this study, the author also found the changing pattern of Indian student mobility among different countries. In 2000, number of Indian student in US were 47,411 and in 2008 it went up to 94,563 (200 per cent increase), in the same year no of Indian student in Australia increases from 6,195 to 96,555 (1,558 per cent increase) and in UK it increased from 4,649 to 35,245 (758 per cent) increase. This shows that now Indians study more in countries like Australia and UK which attracts large number of Indian students because of their large Indian Diaspora.
The study also examined the trend of inward mobility and found that in 1988/89 there were 11,844 international students in India and it steadily increased to 13,707 in 1993-94 and declined thereafter. The number of international students began to grow from 2001/02 onwards and reached to about 18,594 in 2008, after when India adopted a more positive approach. It was by way of streamlining visa regime, and allowing universities and colleges to admit 15 per cent more international students than allowed by their sanctioned intake. Despite the upwards trend, the growth of international students in India is strikingly low compared to that in China. The study also found that, majority of international students in India i.e. 77.6 per cent are enrolled at the undergraduate level, 12.5 per cent are enrolled in post-graduate studies and only 1.4 per cent of students are in research programs. They mainly prefer to study in and around large cities like Delhi, Mumbai, Chennai and Pune. The study further states that, top 10 Indian universities accounts for 80 per cent of the total number of international students.

Powar et al. (2005), in their study titled “International student mobility what does it signify” found that transnational movement of students is the most significant manifestation of internationalization of higher education. In the early 1990s, the number of students crossing their national borders, for acquiring knowledge and skills has steadily increased. In 2000-01, India sent out 47,441 students to US against only to 4,302 to UK, 1,412 to Germany and 239 to France. Australia attracted a large number 4,578 than the three European countries. While the number of Indian students going worldwide is 61,812 which show that the number of families in the higher or higher middle class income groups is increasing and their paying capacity is also increasing, while it receives only 6,896 students from abroad. The rise in the number of students of developed countries venturing abroad on Study Abroad Programmes is a significant trend and India must make all efforts to take advantage of this development. In fact, the promotion of short-term exchange programme, and study India was initiated a few years back but it was not very successful because of the rigid academic structure of most universities.

Sharma & Maheshwari (2004) in a different paper “Analysis of Trends in Transnational Education and Trade in Education Services” emphasised that trade in education services is an important area developing in the world. There are countries
like USA, UK, Canada, Germany and Australia which are taking active participation in supplying education services. The USA is the leader in export of higher education services in the world and it is making maximum money out of it. It was over US$ 10 billion in the year 2000. At the second place, the UK is earning almost one third that of USA. Australia is on the third and Canada is on fifth place. The maximum number of students going for higher education abroad is from Asian region and they are China, India, Korea and Japan. The study further found that, developing countries are also trading education services, but their target countries are mainly other developing and underdeveloped countries. Trade in Education Services (TES) is going to be beneficial for developing and underdeveloped countries in strengthening their human resource skills in the long-run. Thus, trend of international higher education services is on the rise and it is a potential area for trade.

The study conducted by Ernst & Young/FICCI in (2010) in report titled “New Realities, New Possibilities: The Changing Face of Indian Higher Education” shows that in pursuit of better quality of education, an increasing number of Indian students are studying abroad. In 1999-2000, 53,417 numbers of Indian students were studying overseas which rose to 159,779 in 2005-06. The compound annual growth rate (CAGR) of number of Indian students studying overseas during the period 1999-2000 to 2004-05 was 24.5 per cent. In 2005-06, 50 per cent of Indian students were in US while 17 per cent in Australia, 15 per cent in UK, 4 per cent in Canada and 17 per cent in other countries. This shows that, Indian students are going in large numbers to English speaking countries such as US, Australia, UK and Canada for study. While students generally prefer US and Germany for post-graduate courses, and other countries are witnessing a rise in undergraduate and non-degree enrolments.

Further this report also cites various factors that influence students to study abroad. These are as follows-1) Capacity constraints in domestic institutes offering quality programs; 2) Aspirations to study from a top-ranked global university; 3) Increasing income levels and ability to spend; 4) Opportunity to migrate to a high-wage country in search of higher salaries post qualifications. All these, shows that demand for global education is increasing day by day. In this report, an important mode of globalized higher education is also examined which shows that foreign players are establishing significant presence via large number of collaborations with
Indian institutes. Some of the recent collaborations are: Nottingham Trent University (UK) and Prin. L.Welingkar Institute of Management Development & Research (Mumbai) for Bioinformatics Programme; Warwick University (UK) and Institute of Technology and management (ITM), Gurgaon etc. In the year 2008, around 161 foreign educational providers are engaged in about 230 academic collaborations with 143 Indian institutes. At the same time some Indian higher education institutions are recruiting students from abroad or and/or have off-shore campuses, principally in the Gulf countries, also in Asia and other parts of the world, for e.g. Birla Institute of Technology and Science (BITS) Pilani has campus in Dubai, Manipal University in – Malaysia etc.

A recent study entitled “Globalization of Higher Education and Cross-border Student Mobility” conducted by Varghese (2008) found that cross-border higher education has become an important mode of globalised higher education as it involves providers, programmes course materials, teachers and student moving across national borders. In the context of globalization, it has become a commercial activity (i.e., market driven activity). Then study analyses the pattern of intra-regional and inter-regional student flows and found that intra-regional flows are stronger than inter-regional flows. For e.g. the flow of students from countries in central Asia and Central and Eastern Europe continues to be strong- 85 per cent of students hosted in central Asia come from the same region and from central and Eastern Europe.

The study also discussed the pattern and trend of global student mobility and found that, 15 countries account for more than 70 per cent of the cross-border student movement. Countries such as China, Korea and India send a large number of students abroad while Canada, France, Germany, UK and USA etc. host a large number of foreign students. The trend is now changing and countries such as Australia and New Zealand are becoming important players. This trend indicates that the cost factors are becoming increasingly important and influential in the present student movements. The cost of cross-border education in Australia continues to be low when compared with that of UK or USA. The study also examined some of the factors which are responsible for influencing student flow in cross-border education. These are as follows-1) Cost of studying abroad; 2) Ideological Affinity; 3) language Proficiency; 4) Acquisition of foreign language and culture; 5) Better Employment Opportunities;
6) Easy Visa Formalities and 7) Another motivation factor for seeking cross-border education is the perceived high quality of education provided by these universities. Further, study suggested developing regulatory mechanism to protect the interest of the country and students. UNESCO and OECD have taken initiatives to develop guidelines to ensure quality and protect students from fraudulent practices in cross-border education.

Cummins (1993) in his article entitled “Global Trends in Overseas Study” also found various reasons for students to study overseas. These are- (1) Lack of domestic facilities, especially in certain specialize subject areas; (2) The commercial value of a foreign degree encouraged individuals to seek higher education abroad; and (3) Knowing and gaining experience in another country and culture encouraged many to seek education in foreign countries.

Ahmad (2004) in “Global Students Mobility: Opportunities and Challenges for India” discussed some of the factors which are responsible for phenomenal growth in global student mobility that has taken place over the last two decades. These are; 1) Improvement in information technology, making feasible dissemination of knowledge/education through various modes; 2) Inclusion of education in GATS under WTO provision has also encouraged student mobility worldwide; 3) A higher income generations has also created greater demand for overseas education; 4) Prestige and rewards attach to foreign degree especially in developing countries and premium on foreign education in the certain segment of the job market in developing countries etc.

The study also examined various opportunities and challenges for India with regard to global student mobility. Study found that, India has the potential of offering higher education in varied courses so it should avail the opportunity available in a climate of increased global student mobility. It can be done through well planned and coordinated strategies designed to market Indian education abroad. At the same time, there is a challenge for India to compete with developed countries like, Australia, UK, and USA, etc. which have well organised and aggressive marketing strategies, to attract students to their institutions of higher education. This shows that, India has absence of well planned programs of marketing higher education but India should make efforts to accept the challenge with positive attitude.
Snehi (2010) in an article entitled “Student mobility in Indian Universities and Colleges: Trends and Challenges” examined that after globalization, there has been a sharp increase in the outflow of Indian students towards developed countries particularly to USA, UK and Australia. But the reverse trend in terms of attracting foreign students to Indian universities has been rather dismal. The study further presents various policy initiatives and developments in the area of the inflow of foreign students to universities and colleges. Study also analyses the trends in the inflow of foreign students in Indian universities from 1986-87 to 2007-08 and found that, till mid-nineties there has been a steady increase in the number of foreign students, but their strength nearly halved in 1996-97 and thereafter remained stagnant till 1999-2000. Again in the 21st century, there has been increase in the number of foreign students. In 2007-08, number of foreign students in Indian higher education institutions was the highest at 21206. Further, continent-wise analysis of foreign students in Indian universities reveals that most of the foreign students came to India are from Asian and African countries. However, very negligible presence of students is from Australasia.

Study also analyses the major share of foreign students in Indian universities from top ten countries during the period 2004-05 to 2007-08 and found that, Iran and Nepal occupy the topmost slots of sending the maximum number of students with UAE and Ethiopia following closely. The proportion of students coming from top ten countries in 2004-05 was 50 per cent which increased to 56 per cent in 2007-08. Thus, more than half of foreign students in Indian universities were from top ten countries. The study further found that majority of international students has identified well reputed central, state and deemed universities in India. The most visible are IGNOU, Delhi, University of Pune, Pune, University of Delhi, Delhi, Manipal University, Manipal, University of Mysore, Mysore, Osmania University, Hyderabad and Symbiosis International University, Pune who have registered more than 1000 students. In the last part of the paper, the study highlights the experience of foreign students in the institutions of higher education in India and discusses the challenges faced by Indian higher education system in internationalizing higher education and in promoting Indian higher education abroad.

2 Iran and Sri Lanka (Lower Middle Income Countries); Nepal, Ethiopia, Afghanistan and Kenya (Low Income Countries); UAE, Saudi Arabia, Bahrain and Oman (High Income Countries).
Powar (2010) in his article “Indian Regulations Relating to Foreign Providers of Higher Education in India” studied the status and activities of foreign education providers in India. The study found that with the advent of globalisation, foreign providers started entering the Indian higher education market by offering degree programmes in the professional disciplines mainly management and business (largely through franchise operations) and engineering and technology (through articulation arrangements) i.e. through the commercial presence mode. There has been a steady growth in the number of foreign providers, from 144 in 2000 to 319 in 2004 and 438 in 2006. The number of institutions recruiting students for study on their home campuses increase from 117 in 2000 to 204 in 2004 and 300 in 2006. The study also present Indian guidelines and regulations relating to the entry of foreign providers, including the Foreign Educational Institutions Bills, 2007/2010 and also offer some suggestions regarding possible future actions.

Shah (2010) in a different paper “Foreign Education Providers in India: Genesis, Actions & Reactions” examined the global scenario of Foreign Education Providers (FEP). The study found that large number of education providers entering the foreign market is not prestigious universities but rather low end institutions seeking market access and income. Experience of Singapore has been very disappointing in opening its door to foreign universities. As far as China is concerned; it has put certain riders that a foreign university cannot enter China without a local institute as partner. The regulations in China so far as foreign education providers, seem to be having quite strict measures which have put on commercial presence of FEPs only through joint ventures with foreign majority ownership. In Malaysia, there is strong regulatory mechanism regarding foreign providers in higher education. For e.g. in 2005, the Malaysian government has made the regulation that for franchise programme, Ministry of Education (MoE) will invite only those foreign institution which ranked high in national league tables as published by leading education journal/news papers in home country. This shows that, Malaysian government is very much concerned about their cultural heritage and national interest. As far as India is concerned, there is no such apprehension with regard to the protection of traditional cultural heritage of India after the entry of foreign education institutions in India and there is no such provision in FEP bill unlike Malaysia.
The study has also made comparative analysis of FEPs in India during 2005-10 and found that, in 2006, there were 27 foreign institutions offering degree under the twinning programmes which increased substantially to 47 in June 2010. The number of foreign institutions having programmatic collaboration with the Indian institutions has slightly increased from 32 to 35 in the above said period. The situation is likely to continue in the coming future till the envisaged FEP Bill takes a shape and gets implemented. The aim of this bill is to regulate the entry operation and standards of foreign education providers providing quality assurance, preventing commercialization, protecting students from fly night operators and promoting educational tourism.

2.9 Expenditure on Higher Education

The financing of higher education has become an important concern for the developing countries due to their new economic reform policies and such concern has became two fold after the arrival of the globalization policy under the initiative of world trade organization (WTO). To compete in a global economy and to march along the path of the developed countries, the developing countries are now in the process of transition. Traditionally, the Human Capital Theory\(^3\) has dealt with the necessity of investment in higher education with relation to productivity, accessibility and equity. The externalities associated with higher education and the returns expected from it have necessitated the role of the state in financing of higher education. But the private good\(^4\) nature of higher education deprives it from the public support particularly in terms of subsidies to the students and institutions. The role of the market forces is given importance to meet the growing demand for a quality higher education and hence, private financing of higher education is encouraged.

In India due to strain on public finances, private finances has increased dramatically, with private per capita expenditures on education increased fourfold from 1983 to 2003 (Agarwal, 2006). Besides, the resource crunch of the government in financing higher education after meeting the requirements of important social sectors such as health and primary education has necessitated the alternative financing

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\(^3\) The theory says that education imparts skills to individuals which in turn increase their productivity capacity. Higher the level of education higher will be the productivity of the individuals.

\(^4\) Private good is one which is accessible only when a price is paid for it in the market. Thus, anyone who can’t pay the price is excluded from the benefits of the good.
methods. Various developed countries have experienced with such alternatives in financing higher education and India is now on the same path. So, in order to understand the impact of globalization on higher education, it is important to have an idea of expenditure incurred on education. In this section an attempt has been made to review some of the studies that focussed on the trend and pattern of expenditure on education and particularly on higher education in India.

In an important paper titled “Trends in Growth and Financing of Higher Education in India” Prakash (2007) examined several challenges presently facing the Indian higher education system. The challenge of global competitiveness has been added to other demanding tasks such as access, equity, relevance, quality, privatisation and internationalisation in the face of the resource crunch. An attempt has also been made to discuss the trends in the financing of higher education and required resources to meet the target of allocating 6 per cent of gross domestic product (GDP) to education. The study found that, public expenditure on higher education increased by 550 times from Rs 171.5 million in 1950-51 to Rs 95,620 million in 2004-05 budget estimates (BE). It had a good start during the 1950s with a real growth rate of 7.5 per cent and had a golden period during the 1960s with 11 per cent real growth rate but suffered a severe setback during 1970s and recovered somewhat in 1980s with annual growth rate of 7.3 per cent. Since 1990s, financing trends have not been favourable to higher education because both central and state governments are facing financial crunch. Public expenditure on higher education increased from Rs 23,120 million in 1990-91 to 95,620 million in 2004-05 (BE) at current prices with an annual growth rate of 12.3 per cent. This increase, however, seems illusionary with the increasing inflation. After adjusting public expenditure on higher education for inflation with national income deflators, the annual growth rate turns out to be just 5.4 per cent respectively. This shows that the priority given to higher education has declined after 1990 even as their importance in facing the new global challenges is growing. The allocations to higher and technical education put together hardly constitute 0.6 per cent of GNP in 1990-91 and further declined to 0.46 per cent by 2004-05 (BE). Thus, a large gap is likely to emerge between the resource requirements of the system and the availability of resources if the present trends in financing of higher and technical education continue into the future. This may likely to jeopardise the efforts to make India competitive in the global market.
Shariff and Ghosh (2007) in their article entitled “Indian Education Scene and the Public Gap” have pointed out that expenditure on education in India was 3.8 per cent of GNP. This was much lower than many countries such as US (5.5 per cent), UK (5.4 per cent), Malaysia (5.3 per cent), Mexico (5.8 per cent) and South Korea (4.5 per cent). The Education Commission 1964-66 and the National Policy on Education of 1968 and 1986 had recommended that the public expenditure on education should be raised to 6 per cent of the national income, but this target has not been achieved till now. The study also found the share of university and higher education to total educational expenditure was 15 per cent in 1980-81, which declined to 12.2 per cent in 1995-96. Further, this study examined the expenditure pattern of sixteen major states and found that, in Andhra Pradesh the proportion of total educational expenditure on universities and higher education was highest i.e. 20.3 per cent, Kerala comes next with 15.5 per cent and Rajasthan had the lowest share of 7.6 per cent in 1995-96. According to 1995-96 budget expenditure, they found that Kerala had spent 1 per cent of the Net State Domestic Product (NSDP) on university and higher education which was highest among sixteen major states while Gujarat, Haryana, Maharashtra, Punjab and Uttar Pradesh had spent 0.3 per cent of the NSDP, which was the lowest among the sixteen major states.

Chatterjee (2005) in his article entitled “Financing Higher Education: Managing Resources”, analysed the current policies of higher education in India particularly, to the question of state funding for development and upgradation of infrastructure, both physical and human. The study found that, the period of 1990s, has a major turn in two important aspects, namely governments apathy to higher education and public sector disinvestments in higher education. Further, study shows that, due to government disinvestment policies and its frozen budgets for higher education, there is a need for alternative sources for mobilizing resources for higher education. The government of India has appointed two committees one on central universities, under the chairmanship of Justice K Punnayya (UGC, 1993) and another on technical education institutions under the chairmanship of D Swaminathan (AICTE, 1994) to outline methods of mobilization of resources for higher education. Though both stressed the importance of state financing of higher education, and
argued for a firm commitment on the part of the government to finance higher education but also suggested several measures to mobilize non-governmental resources for higher education. The recommendation that attracted attention of the government include (i) raising fee levels; (ii) raising of resources by the institutions through consultancy and sale of other services; (iii) introduction of cost recovery measures within academic services; (iv) self-financing courses and (v) introduction/revitalization of students loans. The government found it very convenient to accept these recommendations and to act upon them as these recommendations were in conformity with the policy framework of public disinvestment and withdrawal of subsidies.

Hahn (2007) in his paper “The Global State of Higher Education and The Rise of Private Finance” examined that in the past two decades, higher education around the globe has undergone a remarkable transformation. Technological innovation coupled with globalisation has drastically altered the structure and finance of educational systems of all countries seeking to benefit from the global economy. The study gives an overview of the role of private finance in higher education globally. In many countries, government takes primary responsibility for the financing of higher education. The numerous public benefits of higher education continue to justify substantial government support, despite competing priorities such as health care, primary and secondary education and infrastructure. A combination of increased per unit costs and higher enrolments has driven up costs, straining government resources to their limit. Consequently the private sector-represented by households, businesses, and philanthropists-has taken greater responsibility for the costs of higher education. This cost-sharing with the private sector takes a number of forms, including tuition paid by students and parents, fees and royalties earned through university-industry collaboration and donations from alumni and other philanthropists. To manage this cost sharing, private finance increasingly serves as a conduit for investment in higher education through bond issuances, securitizations, private and public-private student loan programs, and other means. Increased cost-sharing and greater private investment has helped in reducing strain on government resources and maximise the resources available to higher education.
The study further observed that, in Organisation for Economic Corporation & Development (OECD) countries, public funding has failed to keep up with the rising costs of higher education. In the emerging market economies, public finances have often proven insufficient to fund the necessary expansion of higher education or the creation of a differentiated system of vocational and university education. As a consequence, private finance has become a vital partner in the success of higher education in many parts of the world. In the OECD countries private expenditure on higher education relative to GDP doubled between 1995 and 2003 and in India also due to strain of government finances, private finances has increased dramatically, with private per capita expenditures on education increased fourfold from 1983 to 2003. Thus, these all shows that private expenditure has expanded very fast.

Azad (2005) in his article entitled “Financing of Higher Education in India with special reference to Resource mobilisation” analysed government expenditure on higher education as percentage of total expenditure on education and found that there is a downward trend over the years. In 1981-82, expenditure on higher education as percentage to overall educational expenditure stood at 15.25 per cent and in 2001-02, it came down to 10.32 per cent. The present trend of dwindling of resources in higher education is likely to be continued for a long time and resource crunch seems to become a permanent feature of Indian higher education. According to him, private participation should be welcomed in financing and administration of institutions of higher education but at the same time, government cannot and should not escape from its responsibility of financing higher education because higher education is an important enterprise and its regulatory work cannot be left into the hand of private organization. The study suggested a package programme for raising more resources for higher education. This includes: (1) Enhancement of fees; (2) Giving more loans to students than grants/scholarships; (3) Harnessing private and industrial resources; (4) Reducing leakages and wastage of resources through proper utilisation of academic and physical infrastructure and failure in examinations; and (5) Establishment of educational development bank to provide soft loans to universities and institutions, etc.

Chattopadhyay (2007) in his paper “Exploring Alternative Sources of Financing Higher Education” devised the alternative sources of financing higher
education which are as follows- a) Deregulation of Fees; b) Educational Loans. c) Human Capital Contract; d) Income Contingent Loans; e) Graduate Tax; f) Educational Vouchers; g) Self-financing market determined courses; h) Better governance: Reducing cost per student; and i) Tax Financing. The study also discusses the pros and cons of some alternative sources of financing higher education from the point of view of social justice and efficiency in allocation of resources and their feasibility in a developing country like India. Among the measures suggested, fees enhancement and educational loans are of limited significance in a country like India. While, keeping in mind India’s imperatives, the government has come to play a leading role in the provision of higher education.

Tilak (1996) in a different article entitled “Higher Education under Structural Adjustment” analyses the effects of budget adjustment policies on higher education in India and found that budgetary policies in general have been directed towards significant reduction in expenditure on higher education. As a result of this, privatisation and upward revision of fees will become inevitable. The study observed that, these steps have to be studied and implemented gradually and carefully because in long run such trends are “irreversible”. He argues for highly skilled manpower planning in order to safeguard the whole education system including higher education, from the adverse effects of adjustment policies.

In an important article titled “Determinants of Expenditure on Education: An empirical Analysis using State level data” by Chakrabarti & Joglekar (2006) analysed the pattern and trends in the allocation of government funds for education, (particularly higher education) over a span of 1980-81 to 1999-2000 across the 15 major states of the country using macro level indicators. The study found that, economic reform has certainly affected public expenditure on social sector in general and that of education sector in particular. Expenditure on education at all levels of education has declined in post-economic reform in comparison to pre-economic reform. Thus, this is detrimental for the vulnerable sections of the population, i.e. for female and backward social groups. Further, study reveals that, state with higher per capita income was found to spend more on education. This shows that “income” has a significant positive impact on public expenditure on education irrespective of the level of study. In the last part of the article, the study observed that privatisation
exerts a significant negative impact on higher education. In other words, governments’ commitment towards meeting higher educational expenses is lower in those states where proportion of private engineering and medical colleges is relatively higher than the national average rate.

The study conducted by the “CABE Committee on Financing of Higher Education and Technical Education” (2005), examined the trends in public expenditure on higher education and found that total expenditure on higher education increased remarkably during post independence period but with the beginning of the 1990s, public expenditure on higher education has been subject to severe budget squeezes. In real terms, the union government’s expenditure on higher education declined from Rs 646 crores in (1993-94 prices) to Rs 559 crores in 1996-97. The study estimates per student expenditure on higher education, which indicates the quality and efficiency of education and found that, per student expenditure on higher education increased by several times in nominal terms during the post-independence period, but in real terms expenditure has registered a negative growth. At constant prices (1993-94) prices, per student expenditure on higher education declined from Rs 7677 in 1990-91 to Rs 5500 in 2002-03 (BE). Study further shows that, in terms of relative priorities higher education suffered severely. Presently (0.4 per cent) of GNP is being spent on higher education while many developed countries invest between (1.0 to 2.5 per cent) of their respective GNP. Even some of the developing countries which are not economically well off than India seem to be spending more than India on higher education. In terms of total government expenditure the share of higher education declined from 1.6 per cent in 1990-91 to 1.3 per cent in 1996-97, and further it increased to 1.6 per cent in 2000-01, but according to the latest figure, it declined steeply to 1.2 per cent in 2003-04 i.e., too much below the 1990-91 level. Thus, the most serious causality of this decline in expenditure on higher education has been the quality of education.

Anandakrishnan (2000) in an article entitled “Higher Education: Funding Models” point out that world class performance of India’s prestigious higher educational institutions is due to their assured financial resources and their efficient utilisation. The declining state of many of the respected institutions has been caused when their financial resources could not grow in proportion to the increasing
enrolment and changing academic expectations. The recent policy of down grading the support for higher education from public finances has caused sharp decline in the general standards and quality of higher education. Private institutions for education are established with purely commercial objectives, which have introduced major distortions in the growth of higher education system. Models of Public finances to minimize such distortions are suggested. Considering the worldwide pattern of growth of higher education and emerging trends in India, it is necessary to adopt norms free from uncertainty for funding higher education to ensure predictability of resources. Only then it will be possible to devise suitable strategies appropriate to the challenges of the 21st century.

Rani (2004) in a different paper titled “Economic Reforms and Financing Higher Education in India” found a declining trend in terms of allocation of resources to higher education in GDP and intra-sectoral allocation of resources to higher and technical education. Study also found that, enrolment growth has not been accompanied by the growth in public expenditure. Therefore, rapid erosion of public resources for the rise in enrolment will have a negative impact on the quality of educational services. Author further state that, policy of the government of India and state governments now encourages augmentation of resources for covering a large proportion of cost of higher education. Recent policy changes in India favours the divergence of resources from higher to primary education and favours full cost recovery from students. She also argues that cost recovery measures comprising of increase in fees, student loans currently operated by commercial banks and privatisation will increase inequality in the society and may produce regressive effects. It is essential that funding sources must be diversified but cost sharing with students must have social and political limits, and excessive commercialisation of higher education should be forbidden.

Panchamukhi (1996) in a different article entitled “University Finances in India” stressed on the need for more state funding for higher education with particular reference to university financing. The author did not favour that resources should be diverted towards primary education at the cost of other sectors of education in the era of privatisation. Government cannot escape from its responsibility to finance higher education. This is justified because- a) a large number of institutions of higher
education are in deep financial crisis; b) unit cost of higher education is higher than 
elementary education. So university/higher education institutions need larger 
resources. The per unit resource mobilisation in these institutions is relatively low, 
because of declining fees, endowments, stagnant and uncertain government 
assistance. This entire rising unit cost and falling per unit resource mobilisation has 
led to deterioration in the quality of higher education. In the last part of the article, the 
author suggested a number of measures to increase resources and also for maintaining 
fair quality in higher education.

Tilak (1995) important article titled “On Funding of Higher Education in 
India” is the outcome of a report of National Seminar on Funding of Higher 
Education. This article mainly deals with the recommendations on financing of higher 
education in the light of two recent policy recommendations namely-Punnayya 
Committee Report and Swaminadhan Committee Report. In this article he briefly 
pointed out the important policy suggestions of the seminar and these are as follows: 
1) The state cannot throw away its responsibility of funding higher education and shift 
it to market forces. It has to pay an important role; 2) There is a need for improving 
mechanism for allocation and flow of UGC/Government grants to universities or 
institutions; 3) Efforts should be made to earn revenue from non-governmental 
sources to supplement governmental sources, without sacrificing equity and efficiency 
objectives; 4) Gradual increase in fees to cover up to 20-25 per cent of recurring costs 
and as well as design scholarships and students aid programmes; 5) Generating 
resources through voluntarily donation and corporate sector through fiscal incentives; 
6) Transparency in all aspects of higher education is needed.

The study conducted by Sharma (1992) titled “Higher Education: Resource or 
Policy Crunch” argues that subsidising higher education must be based on ability to 
pay principle. He firmly stated that education is a social good\(^5\) and the state should 
not privatisate it. Likewise health and internal and external security are provided by the 
state, education is indivisible in character and hence it should be provided to one and 
all by the state. The policy, thus, must be made to acquire more and more resources 
for financing higher education rather than cutting down the expenses and shifting it

\(^5\) Any good which is provided by the state, which is non-rival and non-excludable, termed as Public 
good or Social good e.g. public hospitals, parks etc.
elsewhere. The author feels that, the present government policy of “freeze and cut” the resource is going to be counterproductive. Thus, the issues are the policy crunch and not the resource crunch in higher education.

2.10 Problems of the Indian Higher Education System

Higher education in India faced with multiple problems in terms of quantity and quality of education, poor funding pattern i.e., funding inadequacy and imbalances, uncertain regulatory environment, declining research standards, and widespread geographic, income, gender and social disparities. Thus, there appear to be endless problems with the Indian higher education system. Some of the major problems are reviewed in this section.

Hooda et al. (2009) in their paper “Higher education in New World Trade Order in the age of Globalisation- A Conceptual study” examined some major shortcomings of Indian higher education system. These are as follows-outdated method of teaching, lack of research and development facility, faulty regulation systems, lack of proper policy for finance management, lack of proper university industry interaction, and inappropriate growth in number of higher education students etc. The study also discussed the measures to resolve the problems in the educational system like-up gradation of curriculum, giving productivity dimension to the educational system, emphasis on research and development. Financial help to students those belonging to lower income groups, fee structure should be revised and proper inspection before entry of foreign institutions etc.

Paul (2000) in his paper “Internationalization of Higher Education: Strategic Implications” examined the basic problems and challenges of Indian higher education system. These are as follows: Access to Higher Education: India has a large number of higher education institutions but in terms of gross enrolment ration (GER) only 10 per cent i.e. only small proportion of students go for higher education, and in developed countries GER exceeds 50 per cent, other BRIC countries Brazil, Russia, and China have much higher GER than India. Quality and Standard: If we compare with foreign institutions the quality and standard of Indian institution is very low, in global ranking of universities very few institutions find a place. Resources, Financial and Human: Traditionally, government has been investing in higher education in India, but in recent decade’s government priorities has been shifted in favour of
primary and secondary education. Since 1980s, expansion of public universities and upgradation of their infrastructure has been neglected by the government. But again he observed that it is not the funds that are scarce, but there is also shortage of qualified faculty and researches to meet the growing demands. Regulation of higher education: There is a large weakness in the regulatory framework of higher education, especially to the question of quality and standard. Thus, Indian higher education sector is currently facing serious challenges and there are no simple remedies that can solve them.

Indhuleka (2009) in his article entitled “Higher Education: Quality, Equity and Efficiency” examined the basic problems and difficulties faced by our higher education system. These are Quality vs. Quantity: In terms of quantity India is the third largest higher education system in the world after US and china but if we compare in terms of quality, it is far away from the developed world. Research: The research in Indian universities is of poor quality which is far behind the US universities. Poor Salary: Many teachers and scholars are migrating to the western countries for better facilities and for better salary, which led to brain drain of many teachers and scholars and this reduces foreign exchange for India. Study Science: Globalization increases the demands of professional courses, which have high-market demand and neglect other courses as a result good students are not interested to study humanities subjects. This shows that there is a threat for the erosion of rich and old culture of human values. Poor Funding: Indian government is not allocating adequate funds for education. The desirable levels of funds for education are 6 per cent of its GDP, but India is allocating only 3.5 per cent, which is meagre for India having such a huge population etc.

Sahni & Kale (2004) in their paper entitled “GATS and Higher Education: Some Reflections” reveal problems of Indian higher education system, and these are as follows: Availability: According to UGC annual report 2002, there were 290 university level institutions, nearly 13,150 colleges, 88 lakh student and 4, 27,000 teachers, but the enormity of this structure pales, if we consider that only 8 per cent of the related age group avail themselves of higher education. Changing ownership pattern: from government to public-private or private institutions (aided or unaided) especially after 1997 the demand pressures, particularly employment-oriented one,
have contributed hugely to the growth of this sector and have altered ownership structure of higher education. Regional disparity: the four Southern states and Maharashtra account for 32 per cent of India’s population, having 46 per cent of total general colleges and almost 60 per cent of professional institutions and the states of Uttar Pradesh, Madhya Pradesh and Bihar account for 34 per cent of population but in terms of institutions of higher learning it have only 23 per cent of general colleges and only 14 per cent of professional colleges. This shows that there is a wide range of regional disparity. Selective nature of specialization: This factor shows that, growth of mainly new private institutions is characterized by a skewed pattern, with emphasis on only engineering colleges and management institutions. Again, these are concentrated in certain cities and states. The differential nature of educational costs: The author further observed that skewed specialization is accompanied by rising costs in some areas of higher education.

Amin (2008) in his article entitled “Higher Education under WTO Regime: An Indian Perspective” studied the problems of our education system like heavy unproductive expenditure on maintenance, brain drain, excessive standardization, over dependence on government funding, unnecessary political interference in day to day management, open door admission policy in major courses in colleges, procedural delay in the process of renewal of visa for students coming from abroad to attend different educational training programmes etc,. Further, the study suggested that these issues to be addressed seriously to make India a major player in the current scenario of globalization and internationalization of Indian higher education system.

2.11 Reforms in Indian Higher Education System

A number of commissions, committees and studies, from time to time have pointed out the major weaknesses in Indian higher education system and called for a number of radical reforms. The major reforms suggested by the studies include-adequate financial support by the government, establishing industry-institutes relations, gradual increase in fees, liberal student-aid programmes, course restructuring, introduction of autonomous and self-financing colleges and improving overall quality of education, etc. This section reviews some of the major reforms in higher education system.
Dandekar (1993) in the paper “Reform of Higher Education” has shown the current problems in higher education system with special reference to capitation fees, subsidies, teacher’s accountability, research activities, etc. and suggest for reforms in higher education system which has following salient features: 1) The universities will set the course material, provide necessary infrastructure and award certificates; 2) Students should pay full cost of higher education and should be free to select their courses according to their own will or market value of the courses; 3) Teachers in colleges and universities should not be supported by an assured monthly salary, but their earnings should depend on their clients i.e. students. So fees should support teacher’s salaries. This makes them more honourable and also accountable; 4) Research will have to be funded by the actual users i.e. industry. 5) Attendance at the campus need not be compulsory for appearing examination; 6) Subjects that are socially and culturally valuable but which have no market value should be supported by the government; 7) Government may make available long term loans who desire to pursue higher education. For poor students, a part of the loan may be converted into grants. Further, the study revealed that, this new system proposed by him cannot be implemented immediately; it will have to be introduced gradually.

In the study titled “Restructuring University level courses needs for a Cautious Approach” Azad (1995) examined that with the introduction of new economic policy (NEP) in India, the educational policies of our higher educational system has been changed to a large extent with regards to restructuring of courses towards vocationalisation. The study shows that, the role of industrial and commercial houses is increasing in restructuring and financing of higher education. Further, the study revealed that, courses in arts, humanities, social sciences and pure sciences should not be underemphasized and the government should take affirmative steps to develop these courses, to ensure humanity and enlightened citizenship.

Verma and Shivendra K. (1997) in their paper “Issues in Higher Education in India: Focus on Human Resource Development” examined that, planners and policy makers have treated education as an appendix and not as a vital factor for economic growth. No doubt, elementary education is the base of educational pyramid which must be strengthened, but, it is equally important to ensure that, ‘those at the top of the pyramid are among the best in the world, says the author. So higher education
must receive full support from the government. In the last part of the article, the study suggests some reforms in higher education system and these are:- (a) New role of the teacher- as a facilitator, and a leader; (b) Development of information and communication for open learning and efficient administration; (c) Content of the courses should be changed to exert upon intellectual ability; (d) Change from teacher directed methodologies to inter-active methodologies, (e) Stress on research work; (f) Human Resource Development (HRD) programmes- Teacher development programmes leading to higher degree of professionalism, reorganising of courses – variety of short, readymade or tailor-made courses etc; (g) Every region should have its curriculum development centre keeping in view of local or regional needs along with national interest.

Tilak (2007) in his paper “Knowledge Commission and Higher Education” criticizes the National Knowledge Commission on few points. First; the report does not seem to have been based on any in-depth analysis of higher education system in India. Second, the commission seems to be strongly favouring privatisation of higher education, the growth of private and foreign universities, and correspondingly and more importantly a drastically reduced role of the state. Third, while some of the recommendations made by commissions are important, familiar and less controversial but many are not supported by any evidence-theoretical or empirical, nor their strengths and weaknesses are even discussed.

Jaswal (2010) in his paper “What Ails Higher Education in India” pointed out various problems in Indian higher education system and suggested for the needed reforms in higher education. These are as follows- allowing and encouraging participation by private sector, allowing more autonomy to universities and more allocations of funds but at the same time he plea for a critical look at the present system of regulation with respect to private players and on quality of education and also bringing reforms in the prevailing system of examination and making curriculum and syllabus in keeping with the reality of the industry.

Thorat (2009) in a different paper “Emerging Issues in Higher Education: Approach, Strategy and Action Plan in the 11th Plan” examined that, India has taken long strides in higher education but yet it is facing with several critical issues including access, equity, quality and excellence and relevant education. The study
discusses these issues in a more comprehensive manner. Higher education has received high priority in the 11th five year plan. This plan marks a major break from the past and brings higher education on the priority list of the government. The central objective of the 11th plan focussed on expansion of enrolment in higher education with inclusiveness, quality and relevant education, and also supported necessary academic reforms in the university and college system like changes in admission procedures in various courses, modification in assessment and examination methods; switch over from annual to semester systems; acceptance of grade and credit system; teachers assessments; and other related reforms of affiliating systems; preparing frameworks for public-private partnerships; rationalisation of fee structures; regulation of deemed universities, regulatory frameworks for collaboration by universities and colleges with universities and institutions in other countries with respect to dual degree arrangements etc. The UGC has set up various committees on these reforms. The 11th plan developed an approach and strategy to address these issues facing Indian higher education system. Further, the study found that, higher education has been neglected during the last twenty years or so particularly by the state government. Therefore, it is necessary that individual state government also take similar initiative in their respective state plan and developed policies to address the issues of increasing the enrolment rate, equal access to groups with lower access to higher education and issues of quality etc.

### 2.12 Conclusion

In this chapter forgoing analysis has demonstrated the important role played by higher education in economic development of the country. Higher education being at the apex of educational institutions, greatly impacts the all round development, as it empowers the individuals with necessary skills for achieving important personal, social and higher professional goals. Education in general and higher education, in particular, plays very vital role not only in the realization of India’s extraordinary potential and aspirations for social, economic and technological development, but also in the promotion of cultural diversity, political democracy and trade.

Studies on growth of Indian higher education reveal that, it has expanded remarkably well since independence and it is acknowledged to have one of the largest higher education systems in the world. Despite, this expansion, enrolment ratio
remains less than the global average and it also lags behind most developed/developing countries. Study also shows wide variations in urban and rural accessibility and suggests for expansion of institutions in rural areas in order to bridge the gap between the rural-urban accessibility disparities. Further, a large gap between male and female participation rate at all levels of education has been found.

The studies on impact of globalization on Indian higher education shows that with the introduction of globalization a significant change in education sector has taken place, from welfare approach to market approach, from public higher education system to a mixed and private higher education, from public financing to private financing, and from private: charity and educational approach to private: commercial and profit motive and so on. Some of which may be positive for educational system but many of which may be harmful for the development of sustainable and strong education system. Thus, the results of globalization are mixed. Further study reveal that, benefits of globalized higher education have not reached the majority and new risks have emerged for the socially deprived and rural poor. It has also created socio-economic and cultural disparities in the society. The disparities are found in creating a gap between caste, class and communities. The present education system has failed to inclusive of equal opportunity to entire section of the society. This development has led to the unequal distribution of socio-economic standard of the society. Thus, there is a need to study inclusive of all sections of the society for providing equal standard of education and equal opportunity for the major sections of the society for the development of nation.

From the studies on privatization of higher education in India, it can be concluded that, due to significant rise in the enrolment and declining public budgets for higher education, privatisation has become necessary. Some studies argue that privatisation is more flexible and efficient to the changing needs of the responsibility among the receivers of education, but at the same time higher education becomes more expensive, when privatised. Privatisation in higher education should be encouraged in India but with close government regulation and at the same time it should not encourage commercialisation.

From the study it can be concluded that, cross-border education implies the mobility of students, teachers and programmes crossing national boundaries. In the
context of globalization, it has become a market-driven activity involving numerous providers and attracting thousands of students who are willing to buy these services at international prices. During the last two decades, there has been an increase in student mobility all over the world. Countries such as China, Korea and India send a large number of students abroad, while Canada, France, Germany, UK and USA, etc. host a large number of foreign students. Now the trend is changing and countries such as Australia and New Zealand are becoming important players. It seems that the cost factors are becoming increasingly important and influential in the present trends in student movements. Further some study also discussed the factors which are responsible for influencing student flow in cross-border education. These are quality of education, better employment opportunities, cost of studying abroad and lack of domestic facilities especially in certain specialize subject areas etc. An important mode of globalized higher education is also emerging in which foreign players are establishing significant presence via large number of collaborations with Indian institutes.

As far as studies on expenditure on higher education is concerned, it has been found that, priority given to higher education has declined after economic reform, even as their importance in facing the new global challenges has been emerged. The government is still the most important financier of higher education, but adverse economic conditions and competition for public fund have reduced the capacity of government to support higher education. With the accomplishing goal of universal elementary education, government directly shift the resources from higher to primary education. However, government cannot escape from its responsibility to finance higher education by adopting privatisation and market-oriented approach. The government must continue to support higher education to maintain fair quality and to attain certain socio-economic objectives. Further some studies suggested a number of measures to improve resource mobilisation and resource management in higher education. These include upward revision of fees (covering 20-25 per cent of recurring cost) particularly in professional courses, supported by a well designed student-aid programmes. Further, encouraging private participation with necessary controls, conditions and introduction of autonomous and self-financing colleges etc have been found.
The views expressed in respect of problems of Indian higher education shows that, India’s higher education system is currently facing serious problems and challenges and there are no simple remedies that can solve them. The higher education system produces graduates that are unemployable, though there are mounting skill shortages in a number of sectors. The standard of academic research is also low and declining. An unmanageable affiliating system, inflexible academic structure, low level of public funding, outdated and dysfunctional regulatory environment are some of its many problems which are mentioned in the study.

In the last part of the chapter, the studies suggested some major reforms in Indian higher education system like- higher education being at the top of the educational pyramid, should receive adequate financial support from the government. A strong system of supervision, evaluation, monitoring, feeding, work culture and accountability in higher education right from curriculum stage to result declaration stage is needed. There should be general increase in fees, and utmost economy in expenditure. Research activities to be funded mainly by industries/actual users. Liberal loan financing schemes and scholarships to the needy, backward and meritorious students should be given. Improving overall quality of higher education by restructuring courses, improving infrastructure and special focus on imparting competitive skills capabilities of global standards. Further, bringing weaker sections of the society to the main stream of higher education by various schemes and efficient utilization of available resources etc.