

# **Cross-Border Higher Education in India: False Understandings and True Overestimates**

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## **1. Introduction**

The on going debate about (WTO) GATS framework brings out conflicting views about cross-border education (CBE) the world over. Between enthusiastic views of the trade promoters at one end and the skeptical reflections of the academics of traditional outlook at the other, there are many different viewpoints; at least three major views deserve a mention. Firstly, there are those who support public policies that foster internationalisation in higher education and they defend cross-border education in all forms on academic, cultural, social and political grounds. Secondly, academics who support the view that education should not be treated as a tradable commodity, argue that cross-border education would always have a revenue generation approach that would be to the disadvantage of the developing countries. Thirdly, there are trade enthusiasts who are convinced that commercialization of higher education at the global level is unavoidable in the near future and it is up to the countries to prepare themselves to benefit from the new opportunities of the global market. Some times the strong criticisms of the academics are based on false understandings. It is also true that the views of trade promoters might be equally wrong in some national contexts, based only on optimistic overestimations than on ground realities. This paper explores these false understandings and true overestimations that shape the arguments about CBE, in the Indian context.

## **2.0. Major Views on CBE**

### ***2.1. Internationalisation Viewpoint***

The broader stream of internationalisation of higher education has two major dimensions. One dimension of internationalisation is purely domestic and refers to the international and intercultural dimensions of curriculum, teaching, research and helping students develop international and intercultural skills without ever leaving their country. This can be referred to as internationalisation at home. The second dimension of internationalisation refers to the movement of the teachers, students, programmes, institutions, providers or course materials across national borders. It is called cross-border education and is growing in importance, especially at the higher education level. Depending on who or what crosses the border, cross-border education can take different forms - A person can go abroad for educational purposes (people mobility); an educational programme can go abroad (programme mobility) or an institution or provider can go or invest abroad for educational purposes (institution mobility).

From an academic viewpoint, both the dimensions of internationalization in higher education affords the country's higher education institutions (HEIs) intellectual enrichment, and gives a stimulus to academic programmes and research. From the cultural point of view, it facilitates better understanding of other cultures. Possible ties between the political and economic elite of the host and sending countries gained through internationalisation activities in higher education can enhance mutual understanding and social cohesion in increasingly multicultural societies. Till recently, the mutual understanding approach to cross-border education has been the common historical basis of internationalisation policies for higher education. It is due to one or more of these reasons that every country finances cross-border education through the mobility of people, via university bursary schemes, bilateral or multilateral agreements and policies to promote mobility. These rationales and the attendant policies are still present today, but they have been complemented by new trends and rationales.

This view is supported by the examples from the North America as seen from the country reports and desk study overviews presented in the UNESCO-OECD forums. Among the three countries of the North America that have signed the North American Free Trade Agreement (NAFTA) – Canada, Mexico and United States – the analysis of public policies of internationalization indicates that the trade point of view is not prominent. In Mexico, internationalization is seen as a means for international cooperation, student mobility and academic exchange to strengthen the Mexican higher education institutions. The findings of the survey conducted by the Association of the Universities and Colleges of Canada (AUCC) in 1999 demonstrate that academic rationales are the key drivers for internationalization in Canada. Income generation is one motivation, but it is not the predominant one. No Canadian higher education institutions have established a branch campus in another country for multiple programme delivery. In the United States, the major exporter of educational services, the off-shore or cross-border operations serving local students are uncommon in traditional US universities. It is the “for-profit” institutions that engage in trade point of view.

The supporters of this view point out that with unprecedented developments in science and technology, there is increasing emphasis on the role that CBE can play in knowledge development and therefore to human resource development. Developments in ICT have resulted in new forms of delivery of educational provisions. A course offered by a university can be delivered at any part of the world by optimum utilization of technology and this provides new opportunities for learners. The ‘death of distance’ helps research groups in different parts of the world to engage in collaborative research on more pressing issues of the global society. If managed appropriately, and if encouraged in areas that are of relevance to the partnering countries, these opportunities can bring mutual benefits and strengthen the countries’ national systems of education.

In practice, there are many obstacles to academic rationale driven CBE, especially in terms of rigidity in the qualifications framework. The obstacles exist in all countries and the difference

is one of degree. The globalised scenario has already resulted in an increasing demand for international transferability and recognition of qualifications. In the simplest form, cross-border education through collaborative arrangements between two countries, for-profit or non-profit, implies the need for recognition of quality and of qualifications in both the countries. The increasing number of joint awards, (they may not have any profit motive and they may be based on mutual cooperation and collaboration between two academic groups), which are given by institutions in different countries, has given rise to similar needs for mutual recognition of the qualifications between countries. This requires an appropriate and reliable mechanism to reassure the stakeholders that the courses, programs and degrees offered by the cross-border arrangements meet acceptable academic and professional standards and that they will be of value in other countries also. Thus, the long term benefits of academic rationale driven CBE demand a more positive approach to reduce the obstacles and facilitate recognition of academic and professional qualifications and programmes across borders.

At the same time those who believe that the academic rationale has long ago been over taken by income generation rationale look at the threats related to trade point of view.

## ***2.2. CBE as a Disadvantage to the Developing Countries***

At the root of this view is the fundamental issue of the capacity of the developing countries to participate effectively in the global trading system. Although mutual understanding and international co-operation in teaching and research rank high on many countries' internationalisation agenda, economic and revenue-generation rationales have become much more important recently and have sometimes become primordial. Today, CBE has a tilt towards the revenue generation approach. It has the connotation of being a commercial activity.

Those who consider that education is not a tradable commodity, and that higher education should remain a public good and a public responsibility, perceive CBE operations as a threat to national sovereignty and culture and as a serious attack on the core values of the system of higher education. The reservation expressed by them is that providers from the developing countries would not be able to penetrate the education market of the developed countries. Therefore CBE would always be uni-directional and detrimental to the developmental strategies of the developing countries. The huge difference in the import-export operations among regions and countries in terms of both volume and growth bears evidence to this concern. In Australia, around one in seven university students is now from overseas against one in 1000 in Mexico and Korea. In New Zealand and Sweden, foreign enrolments grew by more than two-thirds from 1998 to 2001. Further, programme and institution mobility mostly occurs in the Asia-Pacific region, in eastern Europe and in the South America – the regions with many developing countries. It typically involves Australian, British and US institutions operating in emerging economies.

As CBE operations increase in developing countries, the safety of national values and the increasing amount of student fee that goes into cross-border delivery offered by foreign providers that are below minimum standards are emerging as issues of concern to governments. Students who join these cross-border provisions generally do not qualify for government benefits. Students face difficulties in translating degrees obtained from cross-border providers into national equivalents in many countries. There are cross-border providers who aggressively market their courses by assuring equal treatment and recognition of their awards in the provider country. But the student experience in many collaborative ventures, as of now, indicates that the awards do not give them any competitive edge or benefit in further studies or employment. More cases are being reported of questionable providers who collect the fees but are unreachable when the student finds out that he or she has been deceived. Thus the issue of learner protection is real and governments have been pressurized to take steps to protect the public.

Supporters of this view fear that trade protocols would only help the developed countries to export education even more than what they do now. They also support the notion of reducing obstacles to CBE operations in higher education using conventions, agreements and multilateral frameworks outside of the trade policy regime. The concern for quality of the CBE provisions and the role of quality assurance agencies to ensure quality are well recognized in their suggestions for mutual agreements. Quality assurance is seen as a safeguard to protect a nation from exploitation of low quality provisions from developed countries. However, the activities developed in different multilateral frameworks and by professional organisations are overshadowed by the WTO and the GATS promoting trade in educational services.

### ***2.3. Trade Promoters' View***

Those who argue in favour of a facilitative approach to CBE cite the developments in GATS. In their opinion, CBE operations are already on the increase. Till recently, students crossing borders was taken as the proxy to indicate all cross border education operations. With the developments in GATs, the situation is changing very rapidly. Today, the world market for higher education is not confined to student mobility in tertiary education, and the rapid growth of other forms of educational trade will make student mobility a less satisfactory proxy for cross border education operations as time goes on.

For a country's economy, the enrolment of foreign student represents an "invisible export: in the form of the associated income flow. All expenditures made by international students in the receiving countries are considered as export revenue from the students' home country for the receiving country" (Larsen et al., 2002). Similarly, the tuition fees of a student enrolled in a branch campus of a foreign university operating in his or her country are considered as returns on foreign direct investment. In Australia and New Zealand, educational services rank respectively third and fourth in terms of services exports, and fourteenth and fifteenth in terms of exports as a whole. The United States is the leading exporter of educational

services. In 1998, the international market for student mobility alone amounted to around USD 30 billion in exports, or 3% of global services exports (Larsen et al., 2002).

Trade promoters also point to the benefits of CBE – competition, motivation for traditional institutions to innovate, establishment of professional networks, providing enhanced opportunities for access to higher education, etc. The trade promoters are concerned that even the most competent provisions welcomed by learners are held up at the governmental level due to the general mistrust that CBE providers exploit consumers. They argue that in the global market, learners have the right to quality education and they should be empowered to make their choices.

### **3.0. CBE in India**

With these three views in the background, if one analyses the developments in India, the need to take a more balanced view of CBE-related issues emerges.

#### ***3.1. Internationalisation in Indian Higher Education***

Collaborative teaching and research and other cross-border arrangements between academic groups of different countries for purely academic reasons without profit motive have always been a part of the functioning of the higher education system. Many reputed HEIs have academic linkages for teaching and research with reputed HEIs abroad.

#### ***3.2. Disadvantages of a Developing Nation: False Understandings?***

Many disadvantages of developing countries as observed by the supporters of this view and also the elements of advantage they identify with developed countries are sometimes based on false understandings. The major disadvantage voiced by the academia is that while developed countries can easily penetrate the higher education market of developing countries, the other way is not possible. It is worth reflecting on whether the developed countries can penetrate the higher education system in India that easily. The 'Elements of Advantage' that are favourable to a developed country but unfavourable to the entry of import of education into that country may be listed as below:

1. Developed countries have well-developed academic systems besides being diverse and efficient and therefore the best.
2. They also have extensive ancillary education markets such as testing, specialized training, and control over knowledge networks.
3. There is no shortage of places in the education system for students, though competition may be fierce in entering the top universities and colleges.
4. The HEIs in developed countries are 'efficient and market savvy' and are always on their toes to attract students.

Are these elements of advantage true only to developed countries? Can't they be true for well-established systems of developing world also? It is a fascinating exercise to see what

would be the situation in India, in the line of these elements of advantage. For a comparative argument, the case of the USA is considered for the developed country.

*Advantage 1: Developed countries have well-developed, diverse and efficient academic systems.*

True that the higher education system in USA has this element of advantage. As in United States, India also has a large and diverse higher education system, the 3<sup>rd</sup> largest next only to the USA and China with nearly 10 million students enrolled in about 16,000 institutions including 108 distance education units and 11 Open Universities. This huge higher education system caters to all the needs of the country for its diverse strategic plans for development. Hardly, there is any area in which a formal program or training is not available, ranging from ancient philosophy to the most modern nano-technology. A survey of the types of courses advertised by the foreign providers in the media reveals that there is nothing new in their offerings that is not offered in the domestic higher education institutions (HEIs).

Regarding the quality and soundness of the HEIs, although the system as a whole may not be the best, there is no dearth of good institutions. At least a few institutions in India enjoy the 'Brand Name' status. The institutes of national importance like Indian Institutes of Technology (IITs), Indian Institutes of Management (IIMs), and a few other universities have a global brand value. The relatively increasing number of wards of Non Resident Indians (NRIs) mostly from the USA who seek admission in the leading Indian HEIs is an indication of comparability of the quality of education. The lower cost of education may be one of the reasons, but the NRIs are also happy with the quality of education they get. The Indian higher education system is now well recognized for producing talented human work force in a cost effective way.

India also has all the advantages of an Anglophonic country in the global higher education market. Most of the HEIs use English as the medium of instruction. Some of the Indian HEIs such as Center for English and Foreign Languages at Hyderabad, have already established offshore campuses in a few Asian and middle eastern countries. The wide spread mobility of Indian nationals across the world for teaching and research at all levels is another indication of their advantage in learning English throughout their educational career.

*Advantage 2: Developed countries have extensive ancillary systems.*

India, in addition to its huge network of traditional institutions, has one of the good time-tested non-university post secondary institutions that provide highly specialized training for the diverse needs of the economy very much like in USA. There are a few large private and corporate institutions like NIIT with a large student base besides a large number of smaller ones. They function as ancillary educational providers and are very successful.

*Advantage 3: In developed countries there is no shortage of seats for students.*

Availability of seats in HEIs is also well in place in India. As everywhere else, the competition may be fierce in entering the top HEIs and that does not mean that the admission capacity is limited. In fact, since the advent of national private providers in the education sector about 20 years ago, India has more 'seats' than there are takers. Data on number of HEIs indicates that in 2002, there were 78.20 % colleges at the under-graduate level in engineering and technology, 76.20 % colleges offering degree programmes in different branches of medicine and health sciences, 64.15% colleges offering programmes leading to a Masters degree in management and 67.35% colleges for teacher education were in the private sector. Due to the growth of private providers, in Engineering and Technology related domains, every year, there are around 30 thousand 'vacancies' in the installed capacity for want of seekers. This problem is even more severe in the liberal arts and science institutions.

The major problem the CBE operators will face in India is the low annual rate of growth in demand for higher education from the society. In most of the countries of the Asia Pacific region, it is already stabilized at 2-3% level over past decade and it is about 5% in India for nearly 20 years now. How to double the enrollment, if there is not adequate number of eligible students is the major question. The low annual growth in student enrolment is smoothly taken care of by the expanding domestic private providers. If the domestic providers themselves are asking "where are the students?" the situation is not going to be any different for CBE providers.

One may argue that even if all these contentions are true at present, the need to improve access to higher education would promote CBE in India. In fact, India intends to target the enrollment of 14 million by 2008 and some see this as an opening for CBE, as was done by the Malaysian government. But it should be noted that target of this massive number cannot possibly be achieved through 'outsourcing' education because of total cost involved either to individuals or to the government and no provider country will do it for no-profit. As this target has to be further expanded, outsourcing as one time effort may not be enough. No country can afford the cost of perpetual import of education. The 'providing' countries cannot cope with such high volume demand to cater to millions of students even with a price. The best option under the circumstances will, therefore, be to rely on the domestic private providers. In fact in several of the Asia-Pacific countries as high as 80% of the students are in private institutions. Therefore, the logic generally adumbrated that the pressure to expand under the conditions of dwindling public resources would result in increasing CBE may not be so in reality.

*Advantage 4: The HEIs in the developed countries are Market Savvy in attracting students.*

Indian HEIs have always been and are becoming even more 'efficient and market savvy'. Especially the private providers who necessarily depend on the volume of student enrollment for their survival have become avid market watchers. Even the public institutions are fast becoming 'Hybrids' with a mix of both 'public' and 'private' characters as they are now

empowered to start new and market driven courses on self-sustaining basis with student fee as the major source of resource mobilisation.

Regarding attracting students to CBE provisions, it should be noted that most of the prestigious institutions of America are not in the international market to sell education for profit. As mentioned earlier, it is the “for-profits” of the USA who are active in CBE and most of them are not reputed ones. In August 2002, based on the information collected from advertisements and articles in newspapers, one of the educational foundations made an attempt to identify the offshore activities by institutions of the sponsoring country in India. According to that data, in the year 2002 there were 26 institutions of the sponsoring country that had offshore activities in collaboration with Indian institutions. Two of them were not accredited institutions of the parent country. The Indian partners in such cases are mostly small private institutions yet to be accredited, with a few exceptions of some deemed universities having a reputation of being providers of quality education. In other words, India has all the elements of advantage one can identify with a developed country like the USA and the market in Indian higher education can also pose all the disadvantages similar to the ones a developed country market can pose to a developing country.

### ***3.3. CBE Market in Indian Higher Education: True Overestimates?***

When the trade promoters estimate about the potential of the CBE market in Indian higher education, probably there are overestimates that need to be corrected. It is obvious that penetrating the market of a developed country is resource intensive and ensuring economic returns that would match such massive investment would be a challenging task. If ensuring ‘economic returns’ is difficult for the massive investment required in the market of developed countries, the same is true for Indian market also. The investment the CBE providers of developed countries require to successfully compete with the local institutions of developing countries may be less. The providers from outside, particularly from the developed world can easily compete with even the well-endowed local institutions with their marginal investments for establishing their off-shore campuses or any other forms of learning centers in India. But, the economic return even for the low investment cost may not be attractive for any such ventures because the enrollment in such foreign campuses will be very low due to the other considerations elaborated earlier.

The attitude of the Indian students who can afford to pay higher fees is also similar to that of their counterparts elsewhere in preferring to go abroad. Even if the course offerings by domestic providers are limited in certain areas, taking up alternatives available from the CBE providers in the country may not be their preferred option. Even if a foreign university opens a shop with different options for cost reduction, they can’t compete successfully with the top class domestic institutions and universities that are heavily subsidized by the government. The cost of education is highly competitive in most of the government-funded institutions.



Although the world statistics indicate that Asia-Pacific region is the major importer of higher education collectively (possibly because that is where 2\3 of world population reside), the number of students seeking CBE and the cost involved are very small for the countries individually. It is pertinent to recall the relatively recent experiences of Japan and South Africa with transnational providers opening overseas campuses. The number has now dropped to an insignificant level for various reasons but mostly for want of adequate takers. As the national quality assurance systems put in place appropriate mechanisms to ensure the quality of CBE, many more CBE providers would close their shops.

At any point of time, only less than one hundred thousand Indians study outside in other countries (as against around 10 millions enrolled in the nation) as evidenced by the data collected on student visas. They are covered by the quality assurance systems in place in the host countries. Those who are in the CBE offerings imported into the country are not many in number. Although the investment in CBE is on the increase, when appropriate corrections are made by deducting the cost involved for those who go abroad for studies, which is a regular age-old phenomenon, CBE investment is only a very small fraction if one compares with the total global annual investment on higher education. If international providers are entering the Indian 'education market' in increasing numbers, it is coupled with more increase in the domestic providers. The resultant is an insignificant CBE activity.

Data obtained in surveys of advertisements relating to academic programmes offered by foreign providers, that appeared in Indian newspapers during specific periods in 2000 and 2004 shows that there has been an increase in the number of advertisers from 144 to 319 and in the number of providers offering programmes in India, under the commercial presence mode, from 27 to 114. Nearly a third of foreign providers were not universities, and an equal percentage of their Indian collaborators were not a part of the formal higher education system. Although the students who join such provisions are not many in number, the government has taken note of learner protection. As the quality literacy campaign and awareness about quality assurance are promoted, takers for sub-standard CBE provisions will further come down.

Thus, the realities discussed here do not support the case for substantial growth in trade in CBE in India. However, even in the case of a small percentage of students who opt for CBE, there is a need to ensure that they make the right choices based on quality of the provisions.

#### **4. Taking a Balanced View**

From the policy development point of view, the government of India has recognized that the issue of CBE should be approached with a futuristic and facilitative perspective. As a consequence of the initial commitment made by India under GATS, the government is encouraging Indian institutions to establish overseas ventures. The MHRD has identified the Committee for Promotion of Indian Education Abroad (CoPIE) as the nodal agency to lay down specific guidelines for exporting education. There is also an agreement that GATS or

not, facilitating the public to know more about the quality of CBE operations and facilitating recognition of qualifications across national borders have become academically compelling reasons. To address the issues of quality, efforts are underway to implement a set of basic codes and criteria for the operation of foreign education institutions in the country.

In a draft Policy paper prepared by the Ministry of Human Resources Development for regulating the operation of Foreign Educational Institutions in the country and promoting Foreign Direct Investment (FDI) in the Education Sector, the committee constituted for the purpose has outlined the salient features of this policy framework that include quality assurance as an integral quality check. The policy framework notes that operations of foreign educational institutions should not have deleterious effect on Indian culture and ethos and shall be open for practitioners of all religions. There shall be mandatory registration of foreign education service providers with a Registering Authority. Institutions and programs offered should be accredited in own countries and awards recognised as equivalent to awards given for their on-campus programs. They shall adhere to a code of practice relating to publicity to facilitate informed decision-making by students and their parents. They shall maintain minimum standards as laid down by the concerned agency and will be subject to external quality review by a designated agency. Following this, the MHRD has given a directive in September 2003 to bring all the foreign education institutions operating in India within the assessment and accreditation process.

The All India Council for Technical Education (AICTE), which oversees engineering and management education in India, has issued regulations to control the entry and operations of foreign universities/ institutions for imparting technical education. The AICTE Regulations require the foreign provider to either establish operation on its own or have collaborative arrangements with a recognized Indian academic institution. The foreign institution should be accredited in its home country and should give an undertaking that the degree/ diploma will be recognized in the home country. The Indian partner has to be an Indian university or an affiliated institution, preferably accredited by the national Board of Accreditation of AICTE. It will be the responsibility of the concerned foreign university/ institution to provide for, and ensure that, all facilities are available. The fees charged, and the intake of students, will be prescribed by the AICTE. There are other conditions that aim at protecting the interest of Indian students and provide for overall control of operations by AICTE. For general education, the national quality assurance agency – National Assessment and Accreditation Council (NAAC) constituted a committee to work on guidelines for International Accreditation and it would finalise its strategy after the Ministry for Human Resources Development finalises its strategy.

## **5. Conclusion**

At present much enthusiasm about CBE market in India is based on false understandings and overestimates. As the CBE operations increase the domestic private providers will also

strengthened and the quality assurance system will ensure that low-quality CBE provisions are kept away. As a result, even in the near future CBE market in India may not be very promising. Looking at the situation from the non-trade point of view, there is support for the need to address the quality-related issues of CBE. The national quality assurance agencies are working on these issues. These are indicative of the trend in a nation becoming both a provider and a recipient of cross-border education and this trend has a great bearing on the policy and the formulations of guidelines in dealing with CBE providers. The policy of the government of India is to take a futuristic view and facilitate CBE operators without compromising on the national safety, culture and stakeholder interests.

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