

**Report of the Committee for Regulation and Operation of Foreign Universities in
India**

**Ministry of Human Resource Development
Government of India**

2. Preamble

2.1 Higher education in the country is at the crossroads. We have a large number of colleges, universities and other institutions established by the state and central governments as well as by the private sector. Many more are being created each year, but the quality of the institutions is highly variable. While there are a few excellent institutions, there are also several operating with a commercial motive and low academic standards. The infrastructure of most of the institutions is unsatisfactory and they suffer from serious lacunae such as shortage of competent staff, inadequate facilities and outdated curricula. Massive investments would be necessary to bring up the level of most of the colleges and universities, and considerable effort would be necessary to rid the institutions of the detrimental effects of extraneous pressures. Yet, we cannot forget that we have also produced a large number of graduates, post-graduates and professionals who are contributing constructively to various professions and national development. We require a substantial number of talented and productive professionals in the various sectors, to satisfy our national requirements and also the international demands. The increasing number of foreign education institutions initiating programmes in the country further complicates this rather complex higher education scenario. Good programmes offered by well established foreign institutions would serve a useful purpose, specially if they establish fine campuses and satisfy other criteria associated with sound educational practices such as high-quality instruction and research and development activities. Collaborative efforts between Indian and foreign institutions of caliber would also be useful. However, there is the impression that many of the foreign education

1.1 The Government of India in the Ministry of Human Resource Development constituted a Committee for Regulation and Operation of foreign Universities in India vide order no. 13-1/2005-U-4 dated 18 January 2005 (Annexure 1) with the following terms of reference:

- a. To examine the need, relevance, terms and scope of the entry and operations by foreign universities including the options of collaboration between Indian Universities and foreign universities; and
- b. To suggest an appropriate mechanism relating to access and quality in respect of foreign universities; if permitted to operate in India.

The committee comprised the following members:

1. Prof. CNR Rao Chairman
2. Prof. HP Dikshit, Vice Chancellor, IGNOU, New Delhi
3. Prof. Bakul Dholakia, Director, IIM Ahmedabad
3. Prof. Ashok Mishra, Director, IIT, Powai, Mumbai
4. Prof. MC Sharma, Director, NLIU, Bhopal
5. Prof. CP Chandrasekhar, JNU, New Delhi
6. Dr Atindra Sen, Registrar, Delhi University¹, Member Secretary

1.2 The committee met in Bangalore and New Delhi. In addition, smaller group meetings were held in Mumbai and New Delhi in which a wide range of persons were also invited to express their views on the subject.

¹Till 15 January 2005. Currently Member Secretary, Indian council of Social Science Research, New Delhi

the application. The process of approval must be transparent and quick and should be preferably through a single window, with adequate representation of the relevant regulatory and professional authorities and institutions such as the UGC, NAAC, AICTE and the Council for Distance Education in the competent authority that is to be assigned the task of giving approval to foreign education providers.

3.3 Private initiatives, local and foreign, may be allowed but only on equal terms. Thus, if the government thinks it fit to allow private, foreign education providers, then domestic private operators may also have to be allowed. The long pending private universities bill may be suitably modified to provide common framework for both Indian and foreign private education providers. This committee also feels that there are strong grounds for advocating monitoring and regulation of foreign educational providers other than universities. The proposals being made for the UGC to have a role in recognizing and having private institutions accredited by an appropriate body constituted through a transparent process, need to be made applicable to foreign institutions as well.

3.4 The Committee feels that laying down certain guidelines for entry and operations even at this point of time is of the utmost importance, especially because India's commitments under GATS are only being negotiated. Thus, this is an opportune time to lay down the ground rules so that the position to be taken by India in the negotiations are in conformity and harmony with our overall position on higher education. Foreign education providers should not be allowed to function as profit-making enterprises with the right to repatriate surpluses to their parent institution. Thus, India should not make any commitments with regard to higher education under GATS, which violates this principle.

3.5 The various forms in which foreign universities are known to operate in India give rise to varying levels of accountability to the fee-paying student. The

providers have a commercial objective. We would not benefit from those foreign institutions that are here to enhance the recruitment of high quality Indian students for their own postgraduate programmes. In view of these various factors, a proper appreciation of the present situation in the country becomes necessary to evolve a policy with regard to the role of foreign educational institutions.

Taking the above considerations into account, the Committee makes the following recommendations and suggestions.

3. Recommendations and Suggestions

3.1 The Committee recommends that the operation of foreign education providers be allowed after putting in place suitable regulatory mechanisms. These mechanisms should ensure non-commercialization of higher education and also set standards of quality to be maintained by the University and may be devised by the Government of India, and may include wherever necessary amendments of existing laws or legislation of new laws.

3.2 The mechanism to be put in place must provide for prior approval before foreign operators are allowed to establish operations in India. Approvals may be in two parts: first, for a limited initial period on a trial basis and second, a longer-term approval after review of performance in the initial short term. Strong disincentives, such as forfeiture of substantial security deposits, need to be put in place because failure to continue operations after a few years will not be in the interest of students who would be left high and dry mid way through their course of study. This is the lesson we need to learn from the experience of the Chhattisgarh Private Universities case where a large number of students were left in the lurch. Initial short-term approvals may be considered only for those foreign providers who are accredited in their own country. In all such cases, the latest detailed audit report of the accreditation agency must be submitted with

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of existing institutions. ~~A strong educational base in the~~ country would deter foreign providers. It is, therefore, imperative that the country invests more in higher education. We need to protect and promote institutions of excellence in the country and create more of them.

- 4.2 We should encourage our good institutions to establish viable programmes in other countries, especially in Asia, the Middle East and Africa.

Prof. Ashok Misra
Member

Prof. Bakul Dholakia
Member

Prof. HP Dikshit
Member

Prof. CP Chandrasekhar
Member

Prof. MC Sharma
Member

Dr. Atindra Sen
Member Secretary

Prof. CNR Rao
Chairman

~~Committee feels that methods such as franchising or operation~~ through offshore study centers should be discouraged and permitted only in special circumstances. Twinning programmes and programmatic collaboration with Indian universities are the desirable forms in which entry should occur. If experience suggests a case for greater space for foreign universities, then a widening of the forms of operation can be considered at a later stage.

3.6 To the extent that the government chooses not to restrict foreign educational provider presence to twinning and programmatic collaboration, it would have to exercise a far greater degree of intervention in the form of licensing and regulation procedures for foreign providers, aimed at quality assurance, accreditation for both imported and exported education services, provision of scholarships and qualification recognition, as well as credit transfer systems and control over funding arrangements such as operating grants, loans, subsidies.

3.7 Courses offered in India by foreign education providers should be at par with those offered in the country of origin, both in content and in nomenclature. Adequate safeguards will have to be put in place to guard against poaching of faculty from established Indian institutions.

3.8 If permitted to operate, all foreign education providers should be required to publicly state their schedule of fees and these might not be allowed to change over the normal course of the program of study.

4. Important Lessons to be learnt by us

4.1 The problems associated with the emergence of foreign institutions as education providers in the country have arisen mainly because of the weaknesses of our higher education system. We should also take a critical look at the Governance

3 ~~The extent of operations of foreign education providers~~ in the area of higher education reveals a very uneven development between states and regions. Table 1.1 shows the geographical distribution of foreign education providers in 2004.

Table-1.1
Number of institutes having foreign collaboration by States

State	Number of foreign Education Providers
Andhra Pradesh	18
Delhi	19
Goa	2
Gujarat	4
Haryana	6
Karnataka	13
Kerala	3
Madhya Pradesh	3
Maharashtra	20
Rajasthan	1
Tamil Nadu	23
Uttar Pradesh	4
West Bengal	15
Total	131

Source: Directory on Foreign Education Providers in India, NIEPA, August 2004

4. It may be seen that only six states, of which three are in the South, account for 108 out of 131 such arrangements. Though the data does not clearly indicate how many of these are in metro cities, there happens to be at least one metro city in each of these six states. It is probably also a fact that the foreign education providers are concentrated in those six metro cities. Only in 13 states we observe the presence of foreign education providers and therefore in more than half the states have no such presence. It can be safely concluded that the presence of foreign education providers is still largely limited to large urban areas and metro cities with almost no penetration into smaller towns or rural areas of the country.

APPENDIX I: Scale and Extent of Operations

1. It is well known that there are a number of 'education providers' from overseas who are already operating in India. However, in the absence of any regulatory framework or legal requirements to report operations, there is little by way of authentic data on foreign universities operating in India. The major source of information is newspaper advertisements issued by the providers themselves in order to attract students. Using such information based on scanning newspapers and magazines over the period July to December 2000, Powar² reported in 2001 that there were 144 such foreign providers. Using a similar approach but going beyond newspaper advertisements, NIEPA³ reported in 2004 on 131 education providers all over India. This suggests that there has not been significant growth in recent years in the number of overseas providers in India. Thus, future developments in this sector are to a large extent dependent on India's position on trade in services, of which higher education is only one part.

2. The important fact that arises from the two reports cited above is that entry and operations of foreign universities has already taken place and that it has happened in the absence of any regulatory framework. The Committee feels that laying down certain guidelines for entry and operations even at this point of time is of the utmost importance, especially because trade in services of which education is only a part, may be expected to grow once the details of commitments under GATS are finalised. Thus, this is an opportune time to lay down the ground rules and to do so in a manner that can be made harmonious with the position to be taken by India under GATS.

² KB Powar: 'International Providers of Higher Education in India' in KB Powar (ed) Internationalisation of Indian Higher Education, AIU New Delhi 2001

³ NIEPA: Foreign Education Providers in India. Draft Report

6. Table 1.3 casts light on yet another dimension: what kind of education are the foreign operators providing in India today? Only five out of 131 are providing a general education, such as a BSc or a BA. Most of them are providing either vocational or professional courses. Thus, foreign education providers are being perceived as a gateway into gainful employment and are attracting students who wish to ensure a quick and certain entry into the job market. There does not appear to be any interest in providing a general education as far as the foreign education providers are concerned. The experience till now thus reinforces the belief that presence of foreign education providers is leading to increased commercialisation of higher education in India.

Table-1.3

State wise and Course wise operations of foreign education providers in India

State	Professional/Vocational Courses				General	Technical Courses	Total
	MBA	Fashion Technology	Mass Communication	Hotel Management	BA/BSc	B.Tech/ M.Tech/ Medical	
	7	1		8		2	18
Andhra Pradesh	11	2		2		4	19
Assam				2			2
Bihar	1		1	2			4
Chhatisgarh	2			1	1	2	6
Karnataka	8			3		2	13
Kerala				3			3
Madhya Pradesh	2			1			3
Maharashtra	5	1		11	1	2	20
Rajasthan				1			1
Tamil Nadu	4		2	9	3	5	23
Uttar Pradesh	1			2		1	4
West Bengal	4			10		1	15
Totals	45	4	3	55	5	19	131

Source: Directory on Foreign Education Providers in India, NIEPA, August 2004

5. A country wise analysis presented in Table 1.2 below also indicates a very uneven distribution by country of origin. The United Kingdom and the United States of America account for all but six foreign education providers in India. These two countries are also the most important destinations of Indian students going abroad for post secondary education. Thus, it would not be too speculative to state that 'import' of higher education services into India is almost congruent with the export of students as far as the countries are concerned. This leads us to anticipate that as the attraction of the US and the UK for Indian students going abroad wanes, and that of Australia and New Zealand increases, we will see more cross border providers coming to India from these two countries. Yesterday's destinations of Indian student exports are likely to be tomorrow's origin of imports into India. Stated differently, foreign universities operating in India are competing with foreign universities that seek to attract Indian students to their campuses abroad.

Table – 1.2
Foreign Education Providers in different regions of India

Name of Indian State	Country wise foreign providers						
	UK	USA	Canada	Australia	Switzerland	France	Europe
Andhra Pradesh	7	11					
Delhi	13	5					1
Goa		2					
Gujarat	2	2					
Haryana	4	2					
Karnataka	7	6					
Kerala		3					
Madhya Pradesh	1	1			1		
Maharashtra	7	11	2				
Rajasthan		1					
Tamil Nadu	6	16				1	
Uttar Pradesh	1	3					
West Bengal	11	3		1			

Source: Directory on Foreign Education Providers in India, NIEPA, August 2004

10. *Twinning*. The arrangement allows the student to complete part of the study in India and part of it abroad, for which he earns a degree from the foreign partner. Sometimes, the degree is a joint one, but invariably, the 'foreign brand equity' is the strong selling point of such arrangements. These arrangements are the easiest to enter into and operate and for students, perhaps the least cost method for obtaining a 'foreign' degree or even study abroad for a limited period of time. However, the foreign university does not operate in India even though the Indian student gets some form of a foreign degree. A variation of this is linking arrangements, in which part of the course is conducted in the foreign institution, which then awards a separate degree for the foreign part of the programme.

11. *Study Centres*. Foreign universities sometimes use the services of an Indian partner to deliver of courses in India but the course design, curriculum, examination process are all in the hands of the foreign partner.

12. *Programmatic Collaboration*. Such an arrangement between a foreign university and its Indian partner leads to the award of a joint degree (foreign as well as Indian) though the student completes her entire study within India.

13. *Offshore or Branch Campus*. The foreign university establishes a full-fledged campus in India in which teaching and instruction takes place with locally recruited faculty. The Committee is not aware of any such arrangements currently operational in India though in Mumbai, the Committee came across some reports of a possible branch campus being established by Georgia Tech University. This kind of commercial presence is however not contemplated in the present laws of the land. Even internationally, there are very few instances of universities setting up branch campuses in other countries. Obviously, the level of investment required is very large and the potential investors will be wary of the risk inherent in large scale FDI in this sector. The model of international branch campus is more concerned with local recruitment of teachers to cut costs

7. As we have noted earlier, it is not possible to state with authority the number of foreign education providers including Universities operating in India today. There is no agency entrusted with the task of collecting this information nor is there any legal requirement for such providers to report their operations or to seek any licences or approvals before starting their Indian operations. There are also many providers of higher education services who are operating in the virtual mode, though many of them are not Universities or even colleges. Since monetary transactions and payment of fees can be effected through the Internet and since it is permissible to pay in foreign currency using credit cards issued in India, there is no effective method by which authentic information on the operation of foreign universities can be collected.

8. There are many different ways in which foreign universities are known to operate in India. The following sections describe the various forms in which foreign universities are known to operate in India, though there may be other ingenious methods not recorded here. The different methods noted below give rise to varying levels of accountability to the fee-paying student. Some methods will prove difficult to control, especially those that can switch to a virtual mode.

9. *Franchise Agreements.* In these, a foreign institution permits an Indian institution to conduct their programme with their name, curriculum, and evaluation methods. The degree is granted in the name of the foreign institution. Internationally, the most well known franchisee across many countries is the Chartered Financial Analyst (CFA) qualification, which is managed and examined by an American association of financial professionals. Chicago's Kellogg Business School has franchised its operations to local partners in Israel and Hong Kong. In India, examples of this mode are Wigan and Leigh College and Western International University.

Table – 1.4
International Branch Campuses⁵

University	Country	Branch Location	Year Opened
University of La Verne	USA	Greece	1975
Southeastern University	USA	Cyprus	1984
University of Indianapolis	USA	Greece	1989
University of Indianapolis	USA	Cyprus	1992
RMIT University	Australia	Malaysia	1996
De Montfort University, Business School	UK	South Africa	1996
Monash University	Australia	Malaysia	1998
Central Queensland University	Australia	Fiji	1998
Swinburne University of Technology	Australia	Thailand	1998
Curtin University	Australia	Malaysia	1999
University of Wollongong	Australia	United Arab Emirates	1999
Webster University	USA	Thailand	1999
INSEAD	France	Singapore	2000
University of Chicago Graduate School of Business	USA	Singapore	2000
University of Nottingham	UK	Malaysia	2000
De Montfort University	UK	Malaysia*	2000
Swinburne University of Technology	Australia	Malaysia*	2000
Monash University	Australia	South Africa	2001
Cornell University, Medical School	USA	Qatar	To open in 2002
Swinburne University of Technology	Australia	Vietnam	To open in 2002
RMIT University	Australia	Vietnam	To open in 2003
Oklahoma City University	USA	China	To open in 2003
National University of Singapore	Singapore	China, India	To open between 2003 and 2005
Mahatma Gandhi University	India	United Arab Emirates	

*These may be better described as franchising arrangements with explicit ambitions towards genuine branch campus status.

⁵ Source: International Branch Campuses: Scale and Significance. The Observatory on Borderless Higher Education No. 5 June 2002

rather than to provide international experience to domestic students. The Observatory of Borderless Higher Education, (www.obhe.org) laments⁴ that a comprehensive list of international branch campuses focussed on local recruitment does not exist primarily because no national government collects systematic data on trans-national higher education. Data from a recent compilation of international branch campuses all over the world is presented below in Table 1.4:

⁴ International Branch Campuses: Scale and significance. The Observatory on Borderless Higher Education No. 5 June 2002

4. A second argument, which is more material, is the view that there is a demand from resident Indians for education of the kind offered in universities abroad, but is currently accessible only to those who obtain the necessary funding or have the requisite own resources to travel abroad to access such education at relatively high cost. Increasing access to such education through means other than consumption abroad is seen as a democratic project. Needless to say, this presumes that the kind of education being offered on Indian soil by foreign educational providers is equivalent in quality and certification to that which can be accessed abroad—even though this is not necessarily the case, as we shall see later. Moreover, the reason why such educational access is being demanded needs to be addressed. If it is because a degree from such foreign universities is necessary to access jobs outside the country, then it need not be a priority for the government to increase access to such education. If, on the other hand, such access is demanded because the quality of domestically provided higher education is not adequate in terms of availability or quality, then the case is for redressing that inadequacy, rather than adopting a policy that may in fact further weaken domestic education. No one can deny that there are enough instances of institutions of higher education that are considered comparable to the best internationally in the country.

5. Moreover, some degree of access to top-quality international educational resources is possible through collaboration agreements between domestic and foreign universities, which allow Indian students to benefit from the faculty, the courses and even the “brand” of the better foreign universities, just as students from those universities can access the best Indian expertise. In sum, while considering demands from more well to do sections in the country for domestic access to the services of foreign educational providers, the government needs to assess the private and social benefits of acceding to this demand after taking into account the social costs that such a policy may entail.

APPENDIX II: Questions of Need and Relevance

1. Historically, in India, as elsewhere in the world, a case has been made against the entry of foreign players into the higher education area. Unlike many other services, higher education, it has been argued, is not merely the means to realising economic ends, through building human capital for example, but a means to influencing cultural and social values and, therefore, the national character. Hence, the provision and content of such education should be nationally controlled and mediated through national institutions, even while learning from and collaborating with the best international traditions and institutions. Thus democratically elected representatives were expected to tap national talent, which, through appropriate bodies, determined the extent, scope and content of higher education in the country.

2. However, more recently many reasons have been advanced for a reconsideration of the role for foreign players in the higher education area. One is the inadequacy of resources, which is considered all the greater because of the unsatisfied demand for universalising school education. Public money should be substantially devoted to school education, while domestic and foreign non-government institutions should be encouraged to contribute to the provision of higher education.

3. This is if anything a weak argument. It ignores the possibility of substantially increasing resources in the hands of the state, by raising India's relatively low tax-GDP ratio, for example. And it overlooks the possibility of reallocating resources from what many consider less essential areas to a priority area like education. Further, it discounts the fact that in the long run the creation of a larger educated labour force would help improve productivity and increase output, and thereby put more resources in the hands of the State.

~~from other developing countries in particular. But the essential safeguards that~~ define the existence and operation of Universities in India in terms of quality control and non-commercialisation must be made to apply equally to foreign education providers.

9. While there is some justification for assessing foreign presence on these grounds, we must recognise that public institutions of higher education in the country have never been considered commercial ventures. The evidence that the training offered by these institutions has provided and is providing Indians and the nation substantial advantages in the global community, only strengthens the case for a system of this kind. In the circumstances, the objective of using higher educational services as a means to enhance employment, incomes and foreign exchange earning should be seen to apply to expansion at the margin of the higher educational sector. The requirement of that margin, while meriting some consideration, should not be allowed to undermine the strengths of the foundation on which it is built.

6 ~~Thirdly, it is~~ often stated that given the ~~laws, rules and~~ regulations prevailing in the country, foreign educational providers are anyway entering the country through franchisees, limited commercial presence and web-based provision from international locations. In the circumstance, rather than just declare that India does not need to attract the services of foreign educational providers, it may be better to define the specific means through which such services can be accessed and to put in place regulations and/or monitoring mechanisms that can ensure that domestic consumers of such services are not misled into investing in services that are not worth very much. This is a strong ground for working out a coherent policy to recognise a role for foreign educational providers, monitor their entry, and where possible, regulate their activity in the interest of domestic consumers of such services.

7. Finally, it has been argued that India should permit foreign educational providers to enter into the country in order to obtain reciprocal and equal rights in those countries for Indian universities. There is a growing recognition of the teaching strengths of sections of the Indian higher education system. This could mean that in the evolving "knowledge economy" India may have advantages as an international educational service provider, that can help absorb some of the educated unemployed into this activity as well as serve to earn the country valuable foreign exchange. For this reason, it is argued, India should not shut itself to the international provision of educational services through cross-border supply or through the establishment of a commercial presence, supported with the movement of natural persons.

8. There is a view expressed in some quarters that we do not need foreign Universities in India and that therefore they should not be allowed to operate at all. However, we feel this would be a short-sighted policy because India has much to gain by a free flow of higher education services across geographical borders. Many more Indian students go abroad than foreign students come to India to study. This should be changed, with India seeking to attract students

~~15 years, 63 institutions were declared deemed universities.~~ More recently over the last 5 years, more than 35 institutions (excluding the Regional Engineering Colleges) have been notified as deemed universities. Many of these are institutions, which provide undergraduate education or training of a vocational kind.

4. What is more, certain state governments have been liberal in encouraging the establishment of private "universities". For example, three private universities were established in Uttaranchal, two in Gujarat and one each in Himachal Pradesh and Uttar Pradesh through separate acts. In Chattisgarh, the Chhattisgarh Niji Kshetra Vishwavidyalaya (Sthapana Aur Viniyam) Adhiniyam, 2002 allowed the state government to establish a university through a mere notification in the state official gazette. As a result, more than 100 private universities were established in Chhattisgarh alone through a single umbrella act, which has since been challenged with adverse implications for the student body in some of these "universities".

5. There are three implications of these features of what constitutes universities and their establishment. First, since a University has either to be established by an Act or be deemed to be a University by the University Grants Commission based on established and well-defined procedures, there is already a regulatory mechanism for formal "universities", which is being refined by the judiciary and the executive. In the circumstance, there cannot be a procedure, which applies to foreign Universities, which is any less regulatory or more open than what applies to domestic private Universities.

6. Secondly, however, since a range of institutions, Parliament and the Legislatures in various states, can establish a University, and since there appears to be a greater willingness on the part of the UGC to grant deemed university status, there is a possibility that institutions that have sprung up in an unregulated manner can seek recognition either through a state act or through an application for deemed university status. Since decisions on requests of this kind

APPENDIX III: Scope of the Report

1. The Terms of Reference for the Committee restrict its focus to foreign "universities". This is of relevance because the term University in the Indian context has a special connotation. Section 2(f) of the UGC Act 1956 defines a University to mean an institution established or incorporated by or under a Central Act, a Provincial Act or a State Act. Going by this section, for an institution to identify itself as a university in India, it would have to be set up by a central or provincial legislative Act.

2. However, based on the recommendations of the Radhakrishnan Commission on university education a provision was included under section 3 in the University Grants Commission Act of 1956 that institutions which have unique and distinct character of their own could be deemed to be a university and enjoy the concomitant privileges without losing their distinctive character. As per the University Grants Commission's guidelines for considering any proposal for declaring an institution a deemed university under Section 3 of the UGC Act, the option should be exercised only in the case of "institutions which for historical reasons or for any other circumstances are not universities, yet are doing work of high standard in specialised academic fields comparable to a university and the granting of the status of university would enable them to further contribute to the cause of higher education which would mutually enrich the institution and the university system." Further the guidelines state that: "the institution should generally be engaged in teaching programmes and research in chosen fields of specialisation which are innovative and of very high academic standards at the Master's and research levels."

3. Not surprisingly, the option of recognising institutions as deemed universities was exercised infrequently in the past. In the 35 years between 1956 and 1990, only 29 institutions were granted the deemed university status. However, the provision has been put to use more often in recent times. In the last

“...Article 19(1)(g) employs four expressions, viz., profession, occupation, trade and business. Their fields may overlap, but each of them does have a content of its own. Education is *per se* regarded as an activity that is charitable in nature [See *The State of Bombay v. R.M.D. Chamarbaugwala (1957) SCR 874: AIR (1957) SC 699*]. Education has so far not been regarded as a trade or business where profit is the motive.” There are instances of substantial fees being charged from students but these are justified in terms of covering costs only and there should be no element of profit making.

9. Since universities in India, including private universities cannot function as commercial establishments, it should be obvious that foreign educational service providers cannot be allowed to function as profit-making enterprises with the right to repatriate surpluses to their parent institution. This would also mean that India should not make any commitment with regard to education under GATS, which would violate this principle it has held and continues to hold on the educational front.

10. This would imply that many foreign institutions including universities seeking to operate in India with the aim of generating surpluses would choose not to apply for recognition as a university or for deemed university status. But even if they choose to operate through other means, so long as education remains their primary activity, there would be constraints on their operation as profit-making activities. In fact, there have been instances such as that of the South Asia International Institute, which was sought to be set up in Hyderabad by Sylvan Learning Systems, where institutions have withdrawn because of constraints on operating as profit making institutions. Thus there could be a conflict between the prevailing norm with regard to educational institutions and India's position as part of GATS.

11. This could result in pressure on allowing non-universities to operate as profit making institutions in the first instance. However, these institutions would

affect the futures of students who, being inadequately served by publicly funded institutions, register with these institutions after paying a high price. the pressure on the government to, dilute standards and relent can be substantial. This would apply to foreign “universities” as well. Since a provision exists for an existing private or public institution to apply for deemed university status, we can be confronted with a situation where a foreign service provider who has established a domestic presence and acquired a student body applies for deemed university status and uses the fact that the future of its students is at stake to pressure the government into granting deemed university status. Thus it may be necessary for the government to monitor these institutions and regulate them prior to their being considered, if at all, for deemed university status. That is the remit of this Committee must be expanded to include “potential” foreign universities, where the institutions concerned are not universities in their home country, but seek university status in India.

7. Third, foreign universities and higher education establishments are unlikely to enter the country and establish a long-term, sustainable presence for purely altruistic reasons. In their search for profit and its repatriation, they are bound to make a case under the ongoing GATS negotiations to permit the easier entry of commercial educational providers with repatriation rights. This could result in a conflict between the decision to permit entry by foreign educational service providers and the terms of such entry, on the one hand, and the current understanding of the role higher educational institutions.

8. India has always maintained that higher education is an obligation and duty of the state that must be financed by the exchequer and that commercialisation and profiteering are not legitimate goals of Universities. B.N. Kirpal, C.J.I. in delivering the judgment in the TMA Pai case ⁶ on behalf of the majority, states, *inter alia*, that

⁶ W.P (Civil) No.317/1993 in TMA Pai Foundation and Others: 2002 SOL Case No. 599

FOLLOW UP – AGREEMENTS SIGNED IN INDIA

1- MoU between University of Udine and B.M. Birla Science Centre – Hyderabad on the establishment of the joint laboratory “International Institute for Applicable Mathematics and Information Sciences” (IIAMIS) – (Signed in Dehli, on the 14th of February 2005)

Sent an e-mail to Prof. Honsell with require of updating.

2 – MoU between IRST – Cultural Institute of Trentino and the Indian Institute of Technology on a joint laboratory for Micro-Electro-Mechanical System (MEMS), (signed in Dehli, on the 15th February 2005)

The project has been signed by both parties and has to be loaded on the web site of Cineca/FIRB

3 – MoU between the University of Trento and the TATA Institute on a joint Centre in Emerging Web Applications (CeGWA) – (signed in Dehli on the 15th of February 2005)

Sent an e-mail to Prof. Giunchiglia with require of updating.

4 – MoU between Scuola Superiore di Sant’Anna and Pisa and the Indian Institute of Technology (IIT) of Kharagpur on academic and research collaborations (signed Dehli on the 15th of February 2005)

A project of starting collaboration in the ICT sector has been presented in reply of the FIRB ban. In particular, the project concerns the constitution of a laboratory of photonic commutation net for the implementation of an optical hub. Total cost previewed for the project: about Euro 2 millions.

5 – Technical agreement between CNR/Biomedical Technologies Institute and the National Brain Centre for the establishment of a Research Hub on Neuroinformatics.

The project is in a advanced phase of drawing up and should have to be funded in one month to be insert in the Cineca/Firb website. Actually the test is under the Indian supervision.

6 – MoU between CNR/Institute of Biomedical Technologies and the P: University for the establishment of a hub of bioinformatics research.

The project is in a advanced phase of drawing up and should have to be funded in one month to be insert in the Cineca/Firb website. Actually the test is under the Indian supervision

present themselves as providers of higher education and could attract significant numbers of students. Since the fate of these students cannot be separated from those who choose to attend only recognised universities, if they exist, a minimal degree of monitoring and regulation of all higher educational services provided by foreign institutions is a must. This is another reason why the remit of this committee must extend beyond foreign universities *per se*.

12. Commercial considerations may introduce elements of bias into the choice of academic areas in which such institutions specialise and into the formulation of the curriculum and its mode of delivery. This could affect the quality and the credibility of the programmes for which fees are being charged from domestic students. Moreover, the proliferation of such institutions may affect the functioning of recognised universities and colleges inasmuch as they may draw on the faculty resources of these official institutions, affecting adversely their teaching and research programmes.

7 – Agreement between ASI and ISRO for the cooperation in the space sciences, technology and its applications.

Contacted Dr Gabrielli. Waiting for new elements that should have to come from the meeting that is going to take place tomorrow in Paris between the President of ASI and the President of ISRO.

8 – MoU between the Italian National Institute oh Nuclear Physics and the Indian Department for Atomic Energy for the establishment of a Research Hub on the GRID and its applications.

Agreement signed by INFN and sent to India fo finalize it.

9 – Italy – India Scholarships.

Contacted Dr. Ms Giacobazzi. Waiting for more informations,
