

## **Should There Be Foreign Investment In Higher Education And Research?**

When I was a member of the Central Advisory Board on Education (CABE) some years ago, the perpetual struggle was to get the government to increase the education budget and to get it to agree to divert large parts of the budget to primary education. Recently the CABE has recommended that the education outlay should be increased to six percent of the GDP, which should include one percent for higher education. If the government accepts this, there should be quite a lot of money available for higher education, including for scientific research. Greater allocation of funds for research should provide a counter argument to those who are pushing for Foreign Direct Investment (FDI) on the plea that advancement in scientific research is suffering because of the shortage of funds.

A paper on 'Higher Education in India and GATS :An Opportunity', exploring trade in education services, was floated by the Commerce Ministry two years ago and drew equal shares of support and opposition. Academics, scientists and educationists were sharply divided on whether this was a good idea for India or not. The critics, amongst whom can be counted distinguished scientists and academics, argue that foreign investors in higher education have so far brought in commercial products and are more likely to bring in educational products like copyrighted courses and workshop modules in order to make money. They are less likely to bring in skills and expertise with the intention of adapting these to the needs of Indian students or the requirements of Indian science and research.

The track record of foreign investments in educational programs over the last ten years has not been impressive. Most programs have been offered by second and third tier institutions, not the top institutions of their countries. Most have not invested in infrastructure like setting up a campus and operate out of rented premises. In many cases, the programs available in India are not even accredited in the host countries. Somebody did a study of the programs offered by foreign institutions in India and showed that about a third of these were not recognized or accredited in their own countries. So the question is, will permission to allow foreign investment in scientific research result in raising the standards of science education or will it result in the exploitation of gullible Indian students? The government has to be extremely careful in formulating a policy in this field and it should put in place stringent filters to determine what kind of programs can be offered in our country and by whom.

Investment in scientific research must be allowed only after firm guidelines are put in place to set priorities and standards. We need to determine the areas in which we would like to invite investment; the rating of the institutions that will be permitted to invest and the modalities for sharing the fruits of the research. The government can even shortlist the better known universities and research stations in those countries where scientific research of good quality is being done, as preferred investors. We should invite investment in fields of research where we have something to learn and where we need to build our capacity, not necessarily where we are leaders ourselves. For instance, India is already doing top class research on stem cells and could collaborate with other top class institutions, but not necessarily invite FDI in this field.

We could take a leaf out of Singapore's book in the matter of framing a policy for foreign investment in scientific research. Singapore allows only world-class institutions to enter, and that only when they bring their own money. For instance the Massachusetts Institute of Technology (MIT), a leading technical institution in the US, has a collaboration with the National University of Singapore. From Australia, a country with which it otherwise has close contacts on several fronts, it is only the University of New South Wales, considered a premier institution, which was permitted to establish a campus solely on the basis of its own investments. As a result of its policies on foreign investment in education, Singapore has successfully achieved two goals, one to make itself an educational destination for neighbors in Asia who can now go to world-class institutions in Singapore rather than go to Australia or the US; and two, to bring in top-quality programs and skills to upgrade their own research.

Even after prioritizing the institution and the research field, India will need to be careful about many other aspects associated with allowing foreign investment in research, specially if this is in a strategic area. For instance research in microorganisms will have to be carefully monitored to see that it is not leading to products that could help advance the goals of bio terrorism. There is the issue of intellectual property rights, who will own the IPR? How will benefits be shared? Before rushing to invite foreign money indiscriminately, India must engage in due diligence and assess whether its research interests and the capacity of its scientific cadre will benefit from foreign investments in higher education and research.

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