

Internationalisation of Education

Why in news?

The latest trend of increasing number of Indian students studying abroad and the decline in foreign students in India have led to a \$6 billion deficit in the country's current account balance.

What is internationalization of education in India?

- **Internationalization of education** - It is the ability *for teaching and learning* to be increasingly *involved with international cultures* in order to enhance globalized learning.
- **Significance** - Internationalisation of higher education *promotes sharing of best academic and research practices* through interactions between diverse education systems.
- It helps in *developing global citizens* through mobility of students and scholars

Status of Internationalization of Higher Education in India

- It be based on the All-India Survey on Higher Education (**AISHE**) **2022 report released by the Ministry of Education**.
- **Enrolment of foreign students**- It had *increased by only 16.68% from FY15 to FY20* in different courses in higher educational institutions of India.
- It had *declined to in FY21 and FY22* as the pandemic hit the Indian economy.
- **Diversity of students** - Students *from 170 countries* studied in India.
- Most of India's education exports are *directed to South Asian and African countries*.
- *Nepal sends the largest* contingent of students.
- USA has the 3rd largest share of foreign students in India followed closely by Bangladesh and the UAE.
- The share of Afghanistan, Bhutan, Malaysia, Sudan, and Nigeria has plummeted since 2014-15.

How education impacts BoP of India?

- **Education and BoP** - Education related expenses by students affects the forex reserve.

When Indians move Abroad for Education

- India's FOREX decreases

When Foreigners visit India for Education

- India's FOREX Increases

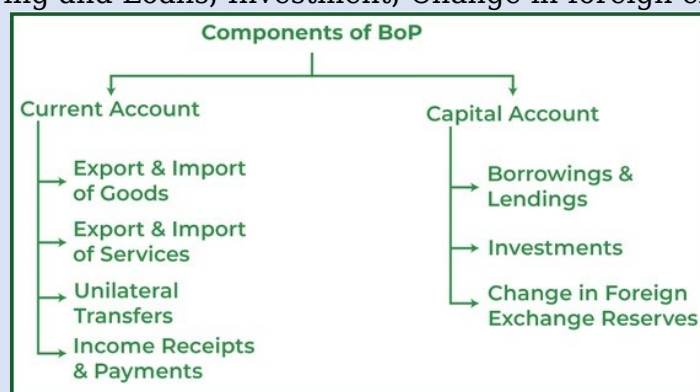
Forex means foreign exchange reserves, which are assets held by a central bank

in foreign currencies. It includes foreign currencies, government bonds, treasury bills, and other government securities. It facilitates International Trade and Payments for imports and service its external debt.

- **Increased outflow of Indian students** - Over the past decade, *education related travel expense has **more than doubled***, rising from \$2.46 billion in FY15 to \$6.3 billion in FY24.
- There are multiple factors contributing to this trend such as
 - Rise in income level of Indian middle class
 - Better employment opportunities with higher wages outside India
- **Decreased inflow of foreign students** - The travel to India by foreigners for education purposes has ***more than halved*** from \$519 million in FY15 to \$247 million in FY24.
- **Reduced foreigners' spending in India**- The *foreigner's spending on education in India started declining* sharply before the pandemic began.
- This can be corroborated by the fact that foreign spending in FY18 was \$479 million, which fell to \$186 million in FY19.
- **Reduced forex revenue** - The *forex revenue accruing* from education-related travel into India has reached the *lowest point of \$109 million in FY22*.
- From FY16 to FY22, there has been ***a consistent trend of declining expenditure by foreigners*** on education in India.
- Despite some recovery in FY23 and FY24 after a sharp drop during the COVID-19 pandemic, the revenue from foreign education-related travel remains below pre-pandemic levels.

Balance of Payment (BoP)

- **BoP** - Balance of Payments is a comprehensive record of a country's economic transactions with the rest of the world over a specific period, usually a year.
- **Coverage** - It includes all transactions made by individuals, companies, and government bodies.
- **Components** - It is divided into Current account, Capital account and financial account
- **Current account** - It records the trade of goods and services, income, and current transfers.
- **Capital Account** - Capital accounts include flow of taxes, sales and purchases of fixed assets for a migrant moving in or out of the country.
- It includes Borrowing and Loans, Investment, Change in foreign exchange reserves.



What are the steps taken by India to internationalise education?

- National Education Policy 2020 focusses on internationalisation of education in India.
- **Academic collaboration** - University Grants Commission has issued regulations on academic *collaborations between Indian and foreign higher education* institutes (HEIs), offering dual and/or joint degrees.
- It had also brought about guidelines regarding the establishment of the *Office for International Affairs in HEIs* to serve as a single point of contact for facilitating foreign students.
- **Foreign universities in India** - Highly ranked foreign universities have also been allowed to set up their campuses inside India.
- This allows *domestic students to avail of the internationally relevant and quality curriculum* without going outside India.

In FY2024, Deakin University from Australia became the first foreign university to be granted final registration for their International Branch Campus in GIFT IFSC (International Financial Services Authority) in Gujarat under IFSCA.

- **Study In India' scheme** - It was launched in 2018 with the aim of having *2 lakh foreign students studying in India by 2023*.
- It will help to foster the growth of foreign students studying in Indian universities.
- **Financial support to students** - The government has regularly offered *scholarships and fee waivers* for meritorious foreign students.
- **Student exchange programs** - India has facilitated regular student exchange programs by *signing Memorandums of Understanding (MoUs)* with friendly countries to promote a conducive environment for global learning.
- **Reserving seats for students** - UGC, through its notification in 2022, had also allowed HEIs to create *up to 25% seats for international students*.
- This is over and above their total sanctioned enrolment for undergraduate and postgraduate programs.
- **Challenges** - Notwithstanding the COVID pandemic, which led to a global lockdown-like situation with negligible movement of people across countries, the above-mentioned steps haven't had much impact yet.

Way forward

- Efforts need to be taken to improve the quality of government run higher education in India.
- Regulate the cost of quality education offered at private universities.

Reference

1. [Business Standard | Education Impacts Balance of Payment](#)



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