First Draft (Vers. 1.3)

# Privatization and Internationalization of Higher Education in the Countries of South Asia: An Empirical Analysis

**Pawan Agarwal**

Indian Council for Research on International Economic Relations (ICRIER)
India Habitat Center Core 6A, Fourth Floor
Lodhi Road, New Delhi-110003, INDIA.

Tel: +91- (0) 11- 2464 5218
Fax: +91- (0) 11- 2462 0180

**Email:** apawan08@gmail.com

# Contents

**List of Tables**

## Abstract

*Despite common origin and similar academic and affiliating structure, higher education in countries of South Asia has evolved in different ways. Currently there are significant differences amongst them. With low levels of participation varying from 1.5 percent in Afghanistan to over 11 percent in India, there is large unmet demand due to young population, rapidly growing economies and rising aspirations. Overall enrolment is likely to increase to over 50 million by 2025 (more than enrolment in all OECD countries together) from a little over 15 million currently. Public higher education suffers from capacity constraints and lack of variety and quality. Growing demand is, thus met partly by the growing private sector –mainly but not exclusively though the domestic providers, and a growing number of students going abroad.*

*Private higher education that emerged in the 1980s and 1990s in all countries of the region (except Bhutan and Afghanistan) is gradually moving from periphery to a dominant position. Private share exceeds a majority of other countries for which such data is available. Like elsewhere in the world (except the United States), the private institutions are secular, demand absorbing, vocationally and commercially oriented. Though, there are concerns about equity, quality and exploitative behaviour of the private sector, but now both public and private provision are seen to meet the growing demand and there is less of public-versus-private debate.*

*Foreign presence is peripheral and mainly an adjunct to the growing private sector. Independent campuses of foreign universities are rare, partnerships are common. Prestigious universities are cautious and content with merely setting up research centres to provide their home students an exposure to the rapid changes in the region. Most partnerships are with second-tier foreign universities that vie with each-other to tap the huge potential here.*

*Regardless of expanding domestic capacity, many students go abroad for higher studies. While most students go to advanced countries, a growing number is now going to countries like Malaysia, Singapore and China that are emerging as global magnets for international students. Student mobility within the region – largely to India, is small and declining. Similarly, despite India's dominant presence in higher education system, its influence in shaping higher education in the region is marginal. There is large scope to benefit from complementarities. Setting up of South Asia University is the first step; the next logical step would be to create South Asia Higher Education Area (SAHEA) on the pattern of the Europe Higher Education Area (EHEA) for deepening the regional integration efforts. This would make higher education and research in South Asia competitive in the growing global knowledge economy.*

## I. Introduction

Private sector is the fastest growing segment in higher education in many countries around the world. During the past few years, more private institutions than public ones have been established in most developing countries and emerging economies of the world. Private higher education is worth an estimated $400 billion worldwide – around 17 percent is spent globally on the sector and a quarter of all higher education students are in private institutions (Spencer, 2008). In addition, a large number of students study outside their home countries. Their numbers has increased by as much as 2.7 million or a 50 percent increase since 2000. By 2025, almost 8 million students would be studying outside their home countries. Overall there is a burgeoning global demand for higher education. A significant proportion of this demand is being met by private provision and study abroad.

A large part of growing global demand would come from the South Asia region (SAR). The region is home to a quarter of world's population. It has young population with growing middle class. Though, all countries of the region (other than India) have witnessed political turmoil in recent years, but are now on recovery path and are moving towards parliamentary democracy bringing in peace and stability on a long-term basis. Within the context of overall economic reforms, there are trends towards privatization and liberalization creating a need for workforce with diverse skills. Higher education is seen as critical to provide this skilled workforce. Thus, there is a greater emphasis on higher education in the region. Within the new milieu, higher education is itself witnessing a wave of privatization and internationalization in the region.

Though, there is a large volume of scholarly work on the worldwide trends towards privatization and internationalization of higher education, yet, these trends have not been studied for this region so far. Detailed survey of literature reveals that there are no studies on higher education for the South Asian Region at all. Except for India, Pakistan and to some extent Bangladesh, there is little known about higher education systems in other countries. Yearbooks and development reports for South Asia that are published from time to time do not cover the higher education sector.

The objective of the study is to undertake an empirical mapping of the trends towards privatization and internationalization of higher education in the countries of South Asia. These trends would be analyzed within the context of changes taking place in the overall higher education systems in these countries and global trends towards privatization and internationalization. This study has focus on the emergence of the private institutions – both domestic and foreign providers and the growing mobility of students from this region. Building upon the complementarities between higher education systems in these countries, the study explores possibilities for cooperation between the countries in South Asia and lays down a framework for a South Asia Higher Education Area (SAHEA).

## II. Methodology

This study uses the tradition of comparative research. The study adopts a multi-disciplinary approach and undertakes an analysis of aggregate country-level data either from country-based sources (mainly government sources) or from international organizations that maintain such datasets for different countries. Though the focus is on cross-national comparison, yet wherever necessary and possible special features within the country have been brought out. Comparison of developments in South Asia with those in other regions of the world has also been done. Historical comparative research is done while tracking the origin and growth of higher education systems in the countries of South Asia.

The study looks at the structure and pattern of higher education in the South Asian countries and undertakes an analysis of the growth and major changes that have taken place in the area of higher education in these countries since their independence. There is little information in comparative perspective on the status of higher education in different countries of South Asia. Due to a lack of tradition for research on higher education issues in this region, there is little scholarly work on higher education. Reliable up-to-date data is also difficult to get. There is no single source of information on the status of higher education. This study looks at the growth dimension of higher education in these countries to see the trends, identify concerns, and look for opportunities for cooperation amongst the South Asian Countries in the field of higher education.

The analysis has been undertaken at two levels. First, an empirical mapping is undertaken to give an overview of national higher education system in each country. Though each country study has its own structure and focus related to the specific context, they follow a common outline as much as possible. Each country study provides a short description of higher education sector, giving origin, growth and size of the system, level and type of institutions, key stakeholders, key data (number of institutions, number of students, number of faculty, funding); extent of private participation, presence of foreign providers and developments relating to student flows.

Secondly, culling out data and trends from country studies and using dataset of the international agencies and global trends in higher education, an analysis of regional trends has been done. This analysis covers regional key characteristics, regional trends in higher education growth, changing financing arrangements, privatization and internationalisation trends. The regional analysis draws insights from the practices and situations in different countries of South Asia with a view to highlight the changing relationship between higher education and society in South Asia region.

Though the focus of the study is on private higher education and internationalization, access policy and financing pattern of higher education in these countries has been analysed. These countries are home to the highest numbers of poor people in the world. Thus, policies relating to promotion of equity and effectiveness of such policies, has also been analysed based on country-level metadata and literature survey.

In the backdrop of privatization and internationalisation of higher education, a chapter on recent debate in the region on negotiations under the General Agreement on Trade in Services (GATS) in the context of higher education has been included. Finally, based on the above analysis, a framework for cooperation between countries of South Asia for creating a South Asia Higher Education Area (SAHEA) on the pattern of Europe Higher Education Area (EHEA) has been suggested as a move towards regional integration efforts in South Asia.

The study primarily uses secondary data sources and survey of existing literature. While using various sources of data, consistency has been checked.

## III. Socio-economic and Demographic Profile of SAR

The South Asian region includes eight countries (including Afghanistan[1]) having an area of 4.51 million square kilometres and nearly a quarter of the world's population. India has a dominant presence in South Asia, though countries like Pakistan, Bangladesh, Afghanistan, Sri Lanka and Nepal also have large landmass and huge population. Bhutan and Maldives are small countries, but strategically important in this region.

Key indicators of the various countries in this region are given in table 1 below. It shows that despite a wide diversity in terms of landmass, population, language and religion, and gross domestic product (GDP), these countries (with minor exceptions) have similar occupational structure and same levels of per capita income. This region is generally characterized by backwardness and low per capita incomes, low literacy levels, high incidence of poverty with high proportion of income generated in agriculture, and poor infrastructure. This is one of the poorest regions of the world, and after Sub-Saharan Africa, is home to the largest concentration of people living in poverty. This region is generally quite poor and backward even by Asian standards.

**Table 1**: **South Asian Countries: Key Indicators (2007)**

| Country | Area ($km^2$) | Population (million) | Population density (per $km^2$) | GDP (Total) | GDP (Per capita) | Official languages |
|---|---|---|---|---|---|---|
| Afghanistan | 647,500 | 31.89 | 46 | 32.4 | 1,490 | Dari (Persian), Pashto |
| Bangladesh | 144,000 | 150.45 | 1045 | 360.9 | 2,270 | Bengali |
| Bhutan | 47,000 | 0.67 | 45 | 4.4 | 5,477 | Dzongkha |
| India | 3,287,590 | 1,128.81 | 329 | 906.3 | 863 | Hindi, English and 20 other official languages |
| Maldives | 298 | 0.299 | 1,105 | 2.57 | 7,675 | Dhivehi |
| Nepal | 147,181 | 28.90 | 184 | 41.2 | 1,500 | Nepali |
| Pakistan | 880,940 | 162.42 | 206 | 504.3 | 3320 | Urdu, English, Balochi, Pashto, Punjabi, Siraiki, Sindhi |
| Sri Lanka | 65,610 | 19.67 | 310 | 86.7 | 4,600 | Sinhaha, Tamil |

**Source:** World Development Indicators (2007)

[1] Afghanistan was formally admitted as the eighth member of SAARC in the 14th SAARC Summit held in April, 2007.

South Asia ranks among the world's most densely-populated regions. About 1.6 billion people live here – about one-fourth of all the people in the world. The region's population density of 305 persons per square kilometer is more than seven times than that of the world average.

Despite the region being well-endowed with both natural resources and human resource, it is plagued by high levels of illiteracy, prevalence of poor health conditions. The major chunk of the population in these countries is in the age group of 15-60 years followed by the population lying in the age group of 0-14 years. As noted in table 2, median age is as low as 17-18 years and is highest in Sri Lanka at 30 years. Overall literacy levels particularly female literacy levels are low except in Sri Lanka and Maldives. The number of dependents of the younger group on the working group is higher requiring adequate attention from the government to work out policy and measures to nurture this lot.

**Table 2: Demographic profile**

| Country | Population (July 2007 est.) in million | Median age | Population Growth rate | Population below poverty | Male literacy | Female literacy |
|---|---|---|---|---|---|---|
| India | 1,129.9 | 24.8 | 1.60 | 25 | 73.4 | 47.8 |
| Pakistan | 164.7 | 20.9 | 1.83 | | 63 | 36 |
| Bangladesh | 150.5 | 22.5 | 2.06 | 45 | 53 | 31.8 |
| Afghanistan | 31.9 | 17.6 | 2.63 | 53 | 43.1 | 12.6 |
| Nepal | 28.9 | 20.5 | 2.13 | 30.9 | 62.7 | 34.9 |
| Sri Lanka | 20.9 | 30.0 | 0.98 | | 92.3 | 89.1 |
| Bhutan | 2.3 | 20.5 | 2.08 | 31.7 | 60.0 | 34 |
| Maldives | 0.37 | 18.1 | 2.73 | 21 | 96.2 | 96.4 |

**Source:** World Development Indicators, 2008

A majority of workforce in the region is engaged in agriculture and allied activities and has low productivity levels. A large proportion of non-agricultural workers are also engaged in low productivity and low wage jobs. A large majority of the workforce is in the informal sector and work in poor conditions. In recent years, there are some changes in economic structure in terms of value added by different sectors to the gross domestic product in some countries (particularly India), yet the employment pattern has not changed much.

In the 1990's with the spread of the reform process in these countries, the income inequalities have seen a rise in the region. Please see table 3 below. Investment in education and skill development is seen as a key strategy to address problem of growing income disparities. Hence, to ensure an equitable distribution of income and the reduction of poverty in these countries, it is necessary to analyse the educational structure of these countries. The system of higher education can in no way be a secluded one and the way in which this system works and is innovated depends on the conditions existing in the labour market, the demand for labour in the various sectors of the economy, the financial condition of the government, the demographic profile of the country, etc.

The South Asian countries provide a sizable portion of the total labour force in the world. Despite being well endowed in human resources, these countries are marred by

high rates of unemployment. To some extent, this is due to the poor quality of education particularly higher education. There are large numbers of higher education institutions that render overly theoretical curriculum and adopt inappropriate teaching methods. This limits the effective utilization of the available manpower in these countries.

**Table 3: Occupational Pattern, Consumption and Inequality**

| Country | Labour force | | | Consumption | | Gini Index |
|---|---|---|---|---|---|---|
| | Agriculture | Industry | Services | Lowest 10% | Highest 10% | |
| India | 60 | 12 | 28 | | | |
| Pakistan | | | | | | |
| Bangladesh | 63 | 11 | 26 | 3.7 | 27.9 | 33.4 |
| Sri Lanka | | | | | | |
| Nepal | 76 | 6 | 18 | 2.6 | 40.6 | 47.2 |
| Afghanistan | 80 | 10 | 10 | n.a. | n.a. | |
| Maldives | 22 | 18 | 60 | n.a. | n.a. | |
| Bhutan | 63 | 6 | 31 | n.a. | n.a. | |

**Source**: World Development Indicators, 2008

Traditionally, the region had adopted an inward-oriented development approach. When such an approach was found unsuccessful in raising the living standards or reducing poverty to any significant extent; different countries of South Asia have over the past two decades pursued liberalization policies resulting in good economic performance in the recent past, but also suffering from initial pains of pursuing such policies. As seen in table 4 below, there is substantial increase in volume of merchandize trade over the past 15 years in the countries of South Asia. This shows their growing integration with the global economy by embarking upon policies of privatization and liberalization. At the same time, there is movement towards democratic institutions in all countries of the region. While, parliamentary democracy is well-entrenched in India, it is getting established in other countries of the region. Thus, the entire region is witnessing a wave of both economic and political freedom, resulting in an increased demand for education and higher education.

**Table 4: Towards Democratization and Liberalization**

| Country | Towards Parliamentary democracy | Towards greater integration with world economy (Growth in Merchandise Trade 1990 – 2005 as % of GDP) |
|---|---|---|
| Afghanistan | Islamic republic | .. – 51.4 |
| Bangladesh | Parliamentary republic | 17.6 – 38.5 |
| Bhutan | Constitutional monarchy | .. |
| India | Federal republic, Parliamentary democracy | 13.1 – 28.5 |
| Maldives | Republic | .. |
| Nepal | Interim Government, Elections to constituent assembly held in April 2008 | 24.1 – 36.1 |
| Pakistan | Islamic republic | 32.6 – 37.3 |
| Sri Lanka | Democratic Socialist Republic | 57.3 – 64.7 |

## IV. Key Trends in Higher Education

Higher education plays a central role in the development of both human beings and modern societies as it enhances social, cultural and economic development. It promotes active citizenship and inculcates ethical values. It serves both public and private purposes. Serving both the role in social and economic development, there is continuing debate as to which of these roles is more important. It is also disputed whether public or private benefits accruing from higher education are more. All of this is not fully understood and precise measures of various contributions of higher education are not available. As a result, this continues to be an unsettled issue. Social and economic roles of higher education and the public and private benefits that it accrues are given below. It is clear from table 5 that the potential benefits are not mutually exclusive and their relative importance would depend on the context of the debate.

Relative importance of social or economic goals of higher education would also depend upon the developments taking place in the larger society and economy. In countries where democracy has preceded economic liberalization, there is rapid expansion of democratic educational systems based on political principles (Dore, 1976). In such cases, focus has been on arts and humanities with little relation to the skills required in the market economy. This resulted in problem of over education faced by many countries.

**Table 5: Potential Benefits from Higher Education**

| Benefits | Public | Private |
|---|---|---|
| **Social** | Nation building and development of leadership<br>Democratic participation; increased consensus; perception that the society is based on fairness and opportunity for all citizens.<br>Social mobility<br>Greater social cohesion and reduced crime rates<br>Improved health<br>Improved basic and secondary education | Improved quality of life for self and children<br>Better decision making<br>Improved personal status<br>Increased educational opportunities<br>Healthier lifestyle and higher life expectancy |
| **Economic** | Greater Productivity<br>National and regional development<br>Reduced reliance on government financial support<br>Increased consumption<br>Increased potential for transformation<br>Increased potential for transformation from low-skill industrial to knowledge-based economy | Higher salaries<br>Employment<br>Higher savings<br>Improved working conditions<br>Personal and professional<br>Personal and professional mobility |

**Source:** Adapted from IHEP (1998): 20

In recent years, several studies undertaken across the world have focused on the inter-linkages between education and economic development and such linkages are well-established now. From an earlier focus mainly on primary and secondary education, there is now an emphasis on higher education as one of the most potent means of achieving sustainable development. It is realized that though primary and secondary education are important, it is the quality and the size of the higher education system that will differentiate a dynamic economy from a marginalized one. It is now accepted that

without more and better higher education, developing countries will find it increasingly difficult to benefit from the global knowledge-based economy (World Bank, 2000).

It is now established that access to quality higher education is crucial in enabling an individual to benefit from economic opportunities and thereby leading to expansion in income and economic means (Dreze and Sen, 1995). Education does not only bring higher income but it also enables individuals to make rational decisions. As a result education is a determining factor not only in income generation and income distribution but in all decision-making by the individuals.

Increasingly, higher education is seen as an instrument for getting a set of skills, attitudes, and values for participation as a productive agent in modern market economy based on technological progress achieved in recent times. Thu, academic institutions now function as business enterprises that lay premium on current needs and economic utility in place of academic values. The current trend in education will have major implications for how we think of schooling and the university, the ownership and transmission of knowledge, and indeed the role of citizenship in modern society (Umakoshi, Toru 2004).

Many developing countries are making massive efforts to achieve universal primary education and expand secondary education. For such countries, the role of higher education in support of overall education system has become increasingly important as they move from the universalization of basic education to the progressive massification of secondary education and become stricter in demanding mandatory higher education qualifications for primary and secondary school teachers (World Bank. 2002:81). Growing prosperity and rapid advances in communications and mass media has resulted in raising aspirations of the people. Higher education enables upward social and economic mobility. Thus, access to higher education is seen as an effective means to meet raised aspirations.

Considering the developments above, expansion of higher education in countries around the world particularly those that had low participation in higher education is therefore a universal phenomenon. Globally, between 1991 and 2004, enrolment in higher education increased from 68 million to 132 million. Though the two advanced regions of the world – North America and Western Europe and East Asia and the Pacific continue to account for more than half of the enrolment; greatest growth in enrolment is seen in South and West Asia and the Latin America and the Caribbean that saw enrolment growing from 6 and 7 million respectively to 15 million each (UNESCO, 2006: 21).

Along with expansion in enrolment, there has been growing public funding support for higher education. Numerous public benefits of higher education justify substantial government support for higher education. Public spending on education demonstrates political will to redistribute income and allocate investment in different sectors. Public funding has increased across countries in absolute terms, as a percentage of GDP, but in fewer cases on student basis.

As per Global Education Digest 2007, countries of the World invested the equivalent of $ 2.5 trillion in education in 2004 representing 4.4 percent of the global

GDP on purchase point parity basis. Global spending is however concentrated in more-developed countries. Rich countries spend more on education. It is however not definite if the countries that are rich tend to spend more on education or because they spent more on education they tend to be rich nations. North America and Western Europe that have less than 10 percent of the school-age population account for more than one-half of the global total of public spending.

Since poor countries have low levels of GDP, even if they spend a higher proportion of their GDP on education, in absolute terms it may still be much lower than rich countries. For instance, South Asia and West Asia spend 3.6 percent, significantly higher than East Asia at 2.8 percent, yet East Asia outperforms South Asia and West Asia in all education outcomes. East Asian countries not only have higher GDP, but a significant proportion of spending on education comes from households. Thus, comparison on the basis of percentage of GDP spent on education is useful in a limited way.

In many countries, public spending includes subsidies to the private sector that is the private aided institutions. Further, public spending is limited to expenditure on educational institutions and excludes costs occurring outside institutions (school dress, transport, private tutoring, student living expenses and opportunity cost), includes expenditure on R & D. Thus there are several shortcomings in comparability on the basis of usual indicators to analyse spending levels across countries. For most countries, the state plays the predominant role in financing of education, but situation in respect of higher education is somewhat different.

It is clear that there are both public and private benefits from investment in higher education. Thus, while there is case for public spending on higher education, there is also an equally strong case for higher education to be funded by students and their families.

While overall trends has been growth in public financing of higher education at least in absolute terms, according to Hahn (2007), private finance has increased its role in the past two decades, particularly in the past decade. Though reliable data on increasing role of private finance is not available, yet, analysis of available data shows it clearly that the rise in private financing of higher education is not an anomalous phenomenon but a global trend encompassing a majority of the world's population. The single most important driver behind the rise of private finance is the explosion of private demand for higher education. This is due to two factors: demographics and economics. Demographic trends and improvements at lower levels of education have resulted in more people, completing secondary education. Economic trends have brought about an increase in private returns to higher education, increasing the number of individuals who are willing to invest.

With more people willing to pay for their own higher education, this sector has attracted entrepreneurs who see a huge untapped opportunity in this sector. As a result, a large number of financially independent institutions of higher education – both for-profit and not-for-profit have emerged around the world and it is now the fastest growing segment in higher education in many countries around the world. In this context, price regulation to curb exploitation and to ensure that higher education continues to be

affordable becomes important. At the same time, maintaining standards of private higher education is crucial.

Though dominated by the domestic players, the private providers also include some foreign providers. Foreign providers take several forms. While academic partnership mode continues to be dominant form of presence of foreign providers, there has been growth of branch campuses in recent years. There are interesting trends in terms of exporting and importing institutions and countries but also new approach to funding and operation of branch campuses (Verbik, 2006).

Growing global mobility of not only students but also programs and providers is making higher education extremely competitive. Competitiveness in higher education that was an anathema until recently has become a dominant force in institutional, national and regional policies. Academic ranking of the world's top universities based on their research performance has always been an international driving force in higher education. With these developments, there is now a global market for higher education. According to Marginson (2007), in the changing landscape of higher education, a two-tier structure is emerging in the global market for higher education. While, there are smaller numbers of global universities that are in the super-league, much larger numbers of lesser reputed institutions export higher education as businesses. Global universities do not expand to meet potential demand or establish franchises across the world like other businesses. Their prestige depends on their continued scarcity. They compete with each other for the best researchers and doctoral students as well as national and global leadership. On the other hand, the second tier institutions include both the for-profit sector and the non-profit sector that provide foreign education commercially. While the super-league universities were always global demand magnets, it is the second-tier institutions that are more active now.

With a rapid expansion in enrolments, most countries around the world suffer from a serious problem of graduate unemployment; though many sectors face a shortage of skilled labor. This is often attributed to the poor quality and the irrelevance of courses and curriculum to the job markets. It is felt that higher education institutions are not able to respond to the changes taking place in the world of work. The institutions keep churning out graduates that are unemployable. Governance and management structures of the higher education institutions fail to meet the new demands on them related to efficiency, effectiveness and flexibility. At the systemic level, despite a plethora of agencies to regulate various aspects of higher education, the standards of education continue to be poor and innovation and experimentation take a beating. Attracting and retaining bright people as faculty in higher education institutions is a huge challenge. These challenges in varying degrees are faced by higher education systems worldwide.

Based on the pattern that was followed in Britain, universities maintain their own standards and the funding agency was given the additional responsibility for determination and coordination of standards for the system as a whole. This arrangement worked fine when there were only public institutions. Now when you also have private and foreign providers and new modes of delivery, there is a need for the regulatory mechanism to change. Unfortunately, it has failed to adapt to the new environment.

For equitable growth and development, the nations are required to ensure access to quality higher education for all. While doing so, they are faced with capacity constraints. Despite a large public spending for higher education in almost all South Asian countries, financial resources to meet growing demand for higher education are far from adequate. Due to the financial constraints and pressing demand for public resources from other sectors, public-private partnerships are often suggested as alternative mechanism for the creation of additional capacities in higher education. This, however, leads to other challenges.

With the private sector entering the area of education and attracting a large number of students despite high fee structure, an analysis of the trends in the financing of higher education is necessary to identify the forward and backward linkages of this sector. Apart from this, there are a large number of students that travel outside these countries to receive higher education. Apart from this outward flow, there is also an inward flow of foreign students to these countries. Besides this, there is also an inward flow of foreign universities that cater to higher education provision in these countries.

## V. Country-wise Analysis: Status and Prospects

Analysis of the current status and prospects of higher education for each country in South Asia in this chapter has been done by giving a brief description of higher education sector, origin, growth and size of the system, level and type of institutions, key stakeholders, key data (number of institutions, number of students, number of faculty, funding); extent of private participation, presence of foreign providers and developments relating to student flows. Though each country analysis has its own structure and focus related to the specific context, these follow a common outline as much as possible.

The study would focus on analysing the trends in the growth rate of higher education in the South Asian countries. This would include an analysis of the different types of educational institutions in these countries. In the last decade or so almost all of these countries have seen the entry of new institutions that are privately owned while the investments made by the government in funding these institutions has declined. It is hence necessary to analyse the growth of these private institutions and also to look into the fees structure and the quality of education imparted by them. The rise of private institutions also requires introduction of new regulatory framework and the changes in the existing framework. So, an analysis of the policies of these countries towards higher education will give us an insight of the problems that arise in the process of privatisation of education

The country studies primarily use secondary data sources (mainly the government sources, ministries of higher education) and the apex bodies of higher education in each country) and survey of existing literature. Country level data is also taken from the UNESCO's Global Education Digest, the World Bank's World Development Indicators, and the IIE's Atlas on Student Mobility for various years. Data from the UNESCO Institute of Statistics and OECD and country level data sources shall also be used for data on mobile students. While using various sources of data, consistency has been checked.

International Handbook on higher education by Forest and Altbach (2006) provide an excellent resource with in-depth analysis of the scope and trends in higher education worldwide. This handbook provides a series of over-arching comparative essays with analytic chapters focusing on key countries and regions. While, South Asia as a region is not covered, even amongst the countries, only India from this region has been covered in this handbook. These works would provide a useful framework for the country studies in comparative perspective. Selected reports from the Observatory on borderless higher education (2004) give an account of internationalization of higher education.

International Higher Education (IHE) published by the Centre on International higher education (CIHE) is a good and a reliable source of information on global trends in higher education. IHE has thirteen articles on the Indian higher education system. Many of these articles have focus on private higher education and internationalization.

## India

India is a huge country with high diversity and many contradictions. With a high proportion of children and young people among its vast population of about 1.2 billion, India is seen as an engine of global growth. Though, average per capita income and wage levels continue to be low, rising aspirations of the large and growing number of middle income and high income households is creating a huge domestic demand for a variety of goods and services. Its fast growing economy is rapidly integrating with the rest of the world, particularly in the knowledge-based sectors. Thus, the country has seen a consistent over 8 percent rate of economic growth over the past four years. Large stock of graduates and people with English language skills is feeding this growth. However, there are concerns that many sectors of economy are not getting trained manpower. There is a greater need for manpower with diverse skills. The country's higher education system is perceived to be inadequately prepared to face this challenge.

### *Origin, growth and size*

Modern higher education in India is largely based on the British model. It inherited the oriental culture, where learning takes place for its own sake, without reference to economic or other external factors. It remained a small system until independence in 1947 and then saw an isomorphic growth before being influenced by the higher education in the United States that was recognized as a powerful centre of learning. To a large extent, the academic system and fundamental ethos of the Indian universities is still akin to the old universities in Britain (Agarwal, 2008).

Today, Indian higher education is a loose configuration of various types of institutions, based largely on the British model, but in part on the American model of higher education. In the federal arrangement, most institutions of higher education are with the provincial governments, but several reputed institutions are directly under the national government.

Though higher education has been continually expanding, but the demand has outstripped the supply. Several factors responsible for this include: increase in population

and its young profile, improvements in school education, growth in aspirations of the people, and the changing structure of the economy that requires new and varied kind of skills. New private sector has accelerated the growth in recent years adding a new dimension to the country's higher education landscape.

Higher education has seen an impressive growth since independence in 1947. Overall, the number of universities has increased from 25 in 1950 to 398 in 2007, the number of colleges has increased from 700 to 18,064 and the enrolment has increased from a tiny base of 0.1 million to a whopping 11.2 million. Table 6 below shows the growth pattern. The country has an enrolment of 10.41 million students and an outturn of 2.46 million graduates each year. The total stock of graduates in India is around 37 million.

**Table 6: Capacity Expansion in Higher Education**

| | 1950-51 | 1990-91 | 2003-04 | 2006-07 |
|---|---|---|---|---|
| University Level Institutions | 25 | 177 | 320 | 371 |
| Colleges | 700 | 7346 | 16,885 | 18,064 |
| Teachers (in thousand) | 15 | 272 | 457 | 488 |
| Students Enrolled (in million) | 0.1 | 4.9 | 9.95 | 11.2 |

Source: University Grants Commission

Indian higher education is now large and complex and highly fragmented. In terms of enrolment, it is the third largest system in the world - after China and the United States. It comprised of more than 18,000 institutions in 2006-07. This number has incrased to over 20,000. This gives India the distinction of having the highest number of institutions for higher education in the world — almost four times that in the US and Europe and more than seven times the number of institutions in China. The average size of a higher education institution in India is small. Many of these institutions are non-viable, understaffed and ill-equipped; two-thirds do not even satisfy the minimum standards set by the University Grants Commission- the apex body responsible for determination and coordination of standards of higher education in the country. Thus average quality of higher education institutions is poor with a tiny quality sector.

Out of around 18,500 institutions, only 371 are universities and remaining are colleges. The colleges do not award their own degrees, but award the degree of the university to which they are affiliated. These colleges enrol 90 per cent of the students at undergraduate level and 66 per cent at the post-graduate level.

The current gross enrolment ratio (GER) is around 11 percent. Though low in absolute terms, it fits well with the occupational structure of the Indian economy with GER twice the percentage of skilled workforce in the country. Similar situation exists in most other countries. A majority of the enrolment is at the undergraduate level (89 %), and only 9.4 percent students are enrolled at the postgraduate level. Enrolment in doctoral programmes is less than 1 percent. Eighty percent of all enrolment is in affiliated colleges.

Enrolments are largely in arts and humanities subjects. Of the total enrolment, 45 percent students are in arts, 20.4 percent in science and 18 percent in commerce. The

remaining 17 percent students are enrolled in professional programmes. With large enrolments in liberal arts and humanities, there is a mismatch between the available capacity of the higher education system and the skill requirements in the economy.

*Financial arrangements*

Public expenditure on higher education is around 0.7 percent of the GDP. This constitutes around 12 percent of the total public expenditure on education at all levels. While earlier, expenditure on higher education was predominantly from the government sources, now private financing of higher education has increased and is almost as much.

Though, public spending on higher education is the highest in the region, this compares poorly with that in the advanced countries where it exceeds 1 percent. Relative effort, measured as public spending per student as a proportion of per capita GDP in India is, however, much higher than that that in the advanced countries. Thus, public spending can be viewed as small or large depending on the way one looks at it. Its spread is uneven. Nearly one-third of the institutions do not get government funds at all. Of the remaining, only about one-half get funds from the national government. A small number of central institutions that cater to less than 2 percent of the student population get 85 percent of the central funds; the amount of central funding received by the rest is very small. A majority of the universities and almost all colleges (with exceptions of some colleges in Delhi) depend on the provincial governments for funding. Overall, the role of the national government in funding higher education is very limited. Only about one-fourth comes from the national government with the remainder coming from the provincial governments. With many provincial governments facing financial crunch, public funding level per student is inadequate and declining.

To overcome limitations of public funding, many institutions, with the exception of most of the national government funded universities and colleges and state institutions in Bihar and UP have raised their tuition fees in recent years. A large proportion of new universities and colleges are financially independent. This constitutes the new private sector in India. Overall trend is towards larger share of financing for higher education coming from non-government sources. This has made higher education in India increasingly expensive, beyond the reach of the poor. With rising tuition fees, ensuring equitable access to students coming from poor families is now a major challenge (Agarwal, 2006).

Students from poor households are put to further disadvantage since they are not academically prepared to crack highly competitive entrance examinations that have bias towards urban elite and rich students having access to private tuitions and coaching. As a result, while the relatively well-off students get access to highly-subsidized in the more reputed public institutions of higher education, the poor are left to the mercy of the private providers. Due to the poor implementation of a rather strict regulatory regime for tuition fees, private providers find ways to charge exorbitant fees and get away with it. Despite the fact that India has consistently supported access over quality, the schemes to provide financial aid to poor students are grossly inadequate.

*Regulation and quality assurance*

Responsibility for higher education in India is shared between the national and the provincial governments. But for nearly 170 universities – a majority financially independent deemed universities and 80 colleges, all other universities and colleges are the responsibility of the state governments. Universities in India are autonomous and self-accrediting bodies with the national government responsible for coordination and determination of standards. The national government discharges this responsibility through the University Grants Commission (UGC) and 13 professional councils at the national level. In addition, some states have councils for higher education and councils for different vocational areas. Since, the provincial governments have responsibility for funding the bulk of the colleges; they have the main say in all administrative and financial matters, while the affiliating universities are responsible for academic matters. Thus, responsibility for maintaining standards is primarily but not exclusively the responsibility of the national government.

In addition, there are three agencies that evaluate the quality of institutions / programmes through an external quality assurance process. The National Assessment and Accreditation Council (NAAC) set up by the UGC in 1994, undertakes institutional accreditation. The National Board of Accreditation (NBA) established by the All India Council of Technical Education (AICTE) in 1994 accredits programmes in engineering and related areas. The Accreditation Board (AB) established by the India Council of Agriculture Research (ICAR) in 1996 accredits agricultural institutions (Stella, 2002). Accreditation is voluntary without much consequential benefits and its coverage so far is very limited. Its impact in terms of quality enhancement of higher education as a whole has not been significant either.

*Privatization trends*

While the higher education has been expanding since independence, expansion has been more rapid in recent decades. This has been largely driven by private sector. Responding to the rising demand for vocationally oriented education, the private players entered the higher education sector in the 1980s. Their earnings came mostly from the tuition fees. They are often costlier than the government institutions. Currently, almost 43 percent of the institutions and 30 percent enrolments are in the private sector. In professional streams, nearly 80 percent institutions and enrolments are in the private sector. Thus, private higher education is growing very rapidly in the country and system is moving towards private-dominance.

Many public universities have started offering self-financing programmes and derive substantial income from such operations. Distance education where fees are relatively high has grown fast as well. Barring exceptions, fee levels have also increased in public higher education overall. Thus, cost of higher education is continually shifting from government to households resulting in privatization of public institutions (Agarwal, 2007).

Most private institutions are colleges, 72 of them have become deemed universities in recent years and 11 private universities have been established by the state

legislatures. Private institutions are not-for-profit entities usually established and operated under the provisions of charitable societies or trusts. They meet almost all of their expenses from tuition fees, reinvesting any surpluses in programmes and facilities. In contrast to these not-for-profits, a significant number of private institutions are run as business enterprises, many among them owned by influential families. There are also private training centres that are legally for-profit entities. In all, private higher education is a large and getting increasingly diversified.

Initially, private institutions came up as colleges affiliated to public universities. The colleges still constitute bulk of the private institutions. Degree-granting universities can only be established in India by the national or provincial governments through legislation. In addition, the national government can grant university status referred to as deemed university) to a public or private institution or a college by an executive order on the recommendation of the UGC. Initially this provision was used sparingly to acknowledge leading institutions offering programmes at an advanced level in a particular field or specialisation. To begin with only public and government-aided institutions were declared deemed universities. Manipal University (earlier Manipal Academy for Higher Education) became the first private institution to be declared a deemed university in 1993.

In 1998, to encourage the development of educational opportunities in emerging subject areas, even new institutions could be given deemed university status. As a result there has been a sudden increase in the number of private deemed universities. But, in recent years, this provision is more liberally used. The number of deemed universities increased to 29 in 1990-91 and 38 in 1998 and now exceeds 114.

While, legislation for setting up of private universities at the national level that was first introduced in the parliament in 1995 is still pending for lack of consensus for over a decade now, several state governments went ahead and set up private universities in their own states. Some overzealous states like Chhattisgarh went into overdrive and created a crisis of confidence by allowing hundreds of sub-standard universities to come up all over the country through umbrella legislation. Reacting to this development, UGC issued regulations for private (self-financing) universities. But, many 'rogue' private universities were unwilling to follow these regulations. It required Supreme Court's interventions that struck down the Chhattisgarh legislation and ruled that although universities could be established under state rather than national laws, but they were obliged to comply with the guidelines laid down by national regulatory bodies including the UGC. This brought about some degree of clarity on establishment and operation of private universities in the state sector, though it seems that the national legislation on it is still a far cry. Currently, there are 11 private universities – all in the state sector in the country.

India has a strong tradition of private philanthropy in higher education. Big business houses like the Tatas established the Indian Institute of Science at Bangalore, Tata Institute of social Sciences and the Tata Institute of Fundamental Research at Mumbai, the Birlas established BITS (Pilani) and the Thapar group set up Thapar University at Patiala in Panjab. These are today some of the best institutions for higher

education. Other corporate houses set up Nirma University and Jaypee University. Several business houses established chain of educational institutions in their respective regions. Apeejay Group has set up a string of institutions in North India. Many education entrepreneurs have emerged on the scene. They set up institutions of higher education without any supporting business activity. These included the Manipal University in South India, the Amity University in North India, Techno India Group in East India and DY Patil Group in the West. Some of them now have a pan-India (ore even global presence). A group of professionals set up a series of ICFAI Universities all over the country.

In recent years, large corporate sector has evinced keen interest in higher education. Big business house of Ambanis set up Dhirubhai Ambani Institute of Information Technology at Gandhinagar. Mukesh Ambani Group is setting up a Reliance School of Life Sciences. Steel magnate Mittal set up a technical university at Jaipur. Most ambitious of them is the Anil Agarwal of Vedanta Group setting up a mega university – the Vedanta University in Orissa. Mahindra and Mahindra, an automobile major is setting up five engineering colleges in collaboration with premier foreign institutions at Chandigarh, Goa and Pune (and two other locations to be identified).

Despite large and growing presence, there continues to be serious concerns about private growth. Policy environment is unpredictable. With private growth, there have been obvious concerns about equity, quality and exploitation. Fees and admission related issues are extremely contentious. Each year, judicial intervenes in a routine manner to address grievances of private promoters, yet it remains unsettled. Due to lack of transparency and fair play (or perception of the same), private institutions do not have incentive to do the right things. Therefore standards continue to fall and some private institutions indulge in gross malpractices creating a poor overall image of private higher education. Since tuitions fees are high for almost entire professional education (whether delivered in public or private institutions) and most people find only professional education useful, therefore useful higher education is now out of the reach of the poor (Agarwal, 2008b).

*Internationalization trends*

India is an important country of origin of globally mobile students. While traditional host countries have intensified their international students' recruitment drive in India, there many other countries with aspirations to gain from global education market that are now focusing on India. India itself hosts international students from many countries in Asia and Africa. Many foreign institutions offer their programs in India and a few Indian higher education institutions have started their operations abroad. Thus, India is an important and an active player in the international higher education arena.

A large and growing number of Indian students now study abroad. After China, India sends the largest number of students to other countries for higher education. There were over 160,000 Indian students studying abroad in 2005/06 with nearly half of them in the United States alone. Besides this, now the countries, such as the United Kingdom, Australia, New Zealand, Canada, and Ireland attract Indian students. Though main destination continues to be English speaking countries, but now non-English speaking

countries like Germany, France, and Holland run programmes in English to attract Indian students. Top hotel management schools in Switzerland; medical institutes in China, Russia, Eastern Europe and the Commonwealth of Independent States (CIS) are actively recruiting Indian students.

While, most students go to the Universities in the West, universities in Singapore and Malaysia are now quite popular amongst the Indian students. These are less expensive and closer home. As a result, number of Indian students in these countries has increased fast over the past few years. While, the United States and Germany attract mainly the post graduate students, other countries are admitting larger number of students in the undergraduate and in some cases even non-degree programmes. A majority of Indian students are fee-paying. Many countries provide opportunities to take up part-time work and most Indians are able to earn to pay at least part of their expenses. Postgraduate and doctoral students are also able to find teaching or research assistantship to take care of their expenses while gaining useful experience in teaching and research.

With the number of students from India studying abroad tripling from 53,417 in 1999-2000 to 160,000 in 2005/06, there are concerns that the country is losing revenues and valuable foreign exchange. It is estimated that India imported higher education worth US $3151 million in the year 2004. This is around 0.46% of the GDP (Bashir, 2007). The figure is comparable to the total public expenditure on higher education and therefore concern is genuine. However, since it is private expenditure and not public money and it is not clear if these students or their families would have spent the money if they had stayed back, this concern may be somewhat overstated. Further, for India with its large population and huge capacity to generate skilled professionals at home and by education abroad, out-migration of professionals – many of them go as students, this may in fact be an opportunity and not a threat (Agarwal, 2008c).

India also hosts international students from over 125 countries. During the academic year 2003-2004, 12,263 international students studied in Indian universities and institutions and their numbers has increased since then. More than 90 percent international students were from the developing countries of Asia (67%) and Africa (25%). Only 8 percent of students are from Europe, Australia and the Americas. In terms of regional distribution, South and Central Asia lead, with more than 30 percent coming from this region. Around 20 percent of students are from North Africa and the Middle East. The majority of international students studying in Indian universities come from Nepal. Other countries with significant number of students in Indian Universities are Bangladesh, Malaysia, and Kenya. International students from advanced countries come to India primarily for short-term study abroad programs that equip them with cross-cultural experience enabling them to compete in global economy (Agarwal, 2008).

More than three-fourth of all the international students were enrolled in general programs in arts (28.5%), sciences (25.8%) and commerce. While, there were about 72.53% students in undergraduate programs, 17.8% students were enrolled in postgraduate programs. Only 28 percent of all international students were girls. Of late, India has attempted to revitalize international student recruitment strategy and the new private sector lead by Manipal University that hosted the highest number of international students (2031 in 2003-04) is taking initiative in this regard (Ibid).

There are hundreds of foreign institutions that operate in India. Initially, they were merely recruiting students for their home campuses abroad, but gradually they started offering programmes in India itself. The programmes were mostly offered with Indian partners, operating outside the national regulatory system. Since there is no system even to register such operations, information on the size and scope of foreign providers is patchy, with many discrepancies and information gaps.

A study in 2005 identified 131 foreign education providers enrolling several thousand students in India. The study did not record any branch campuses and only two franchise operations of foreign providers; the remainder were collaborative programmes or twinning arrangements. Most of these partnerships were with US universities (66 partnerships) and UK universities (59 partnerships). The study further noted that out of the total sample of 131 institutions in India, 107 were providing professional programs, 19 technical programmes, and only 5 general education programmes. Business management and hotel management constituted approximately 80 percent of the total. The study considered 50 of these operations in detail. Of these, 60% (30) were twinning arrangements and the remaining 40% (20) were collaborative programmes with joint-degree provision (Bhushan, 2005).

Another study in 2006 looked at trends on foreign providers in India from 2000 to 2006 and noted that while the number of institutions recruiting students for study on their home campuses has increased steadily, there has been a marginal reduction in the number of articulation arrangements. The number of institutions having their presence in India through franchise operations has decreased substantially. Ten foreign distance education providers have also been recorded (Powar and Bhalla, 2006). The media sometimes report that universities from the West are planning to establish a branch campus in India, most recently the Georgia Institute of Technology in Hyderabad, but only one, Western International University of the United States, has actually opened. Such operations are either outside the regulatory framework or they seek support of the concerned provincial government.

Interestingly, many Indian institutions have set up their operations abroad. These operations cater to the local student population in the host country as well as serve students from India. These are mostly in Singapore, Dubai and Malaysia, the countries that aspire to become regional education hubs and admit a large from students from India. Many people view these initiatives as a means to bypass the burdensome regulations that exist for higher education and relate them to the domestic policy environment for private higher education in the country. The issue of quality assurance and recognition of qualifications offered by Indian institutions abroad has not surfaced so far. But as their numbers increase, this would be a critical issue to address (Agarwal, 2008).

*Overall trends and prospects*

In sum, higher education in India is a large and complex enterprise. It produces nearly 2.5 million graduates every year. It has seen a rapid growth over the last two decades. In terms of overall trends, while the number of government and government aided universities and colleges is growing slowly, but private colleges have expanded fast and now private universities and foreign providers are emerging on the scene. Table 7 below gives the numbers, enrolment in them and the trends.

**Table 7: Growth trends of higher education institutions**

| Type | Institutions | Enrolment | Growth trends |
|---|---|---|---|
| Public universities under the Government | 240 | 1,000,000 | Growing slowly |
| Private universities | 7 | 10,000 | Emerging on the scene |
| Deemed universities | 114 | 100,000 | Growing rapidly |
| Government colleges | 4,225 | 2,750,000 | Not growing |
| Private-aided colleges | 5,750 | 3,450,000 | Growing slowly |
| Private unaided colleges | 7,650 | 3,150,000 | Growing very rapidly |
| Foreign institutions | 150 | 8,000 | Emerging on the scene |
| **Total** | **18,123** | **10,468,000** | |

The distribution of capacity across subject areas and at different levels is uneven. It does not match the demand from the labour market. Number of quality institutions is small. Government seeks to increase capacity of quality institutions. This is also expected to spur in growth of private institutions with some of them with foreign partnerships. In sum, the domestic policies for higher education in India are pushing to increased cross-border activities.

In recent years due to perceived skill shortages and focus on inclusive growth, higher education has come into limelight. Policy debate steered by National Knowledge Commission set up by the Prime Minister has thrown several innovative ideas. Funding for higher education has received a significant boost in the Eleventh Five Year Plan (2007-2012). Several new institutions are proposed to be set up by the national government; a few of them are already in operation. Yet, the direction of reform is somewhat hazy.

## Pakistan

At an estimated population of 162 million, Pakistan is the world's sixth most populous nation and second most populous country in South Asia. During the 1990s, Pakistan had slow economic growth that led to rising poverty and stagnating social indicators. Primary enrolment declined, higher education was on a verge of collapse, debt burden and fiscal deficits increased squeezing public investment and social spending. In 2000, the government initiated a wide-ranging and ambitious reform programme that resulted in dramatic turnaround in its macro-economic situation. GDP grew from an average of 3.3 percent over the 1997-2002 period to 8.4 percent in 2004/05. Public spending on social sectors increased that improved the social sector indicators. A major and comprehensive reform programme was taken up for the higher education sector.

### *Origin, size and growth*

Pakistan has a small system of higher education. At the time of its creation in 1947, there were just two universities, namely the University of Punjab and the University of Sindh. The number of universities has grown since then. Though there was

a long tradition of private higher education, but in the early 1970s, education was nationalized that ended an earlier era of private education in Pakistan. Simultaneously, the national government created a highly centralized structure shrinking the role of the provincial governments (Coffman, 1997). The national government exercised its authority through the process of allocation of grants to universities by the University Grant Commission (UGC). Urdu was promoted as a medium instruction in the early 1980s.

However, the above changes did not last long. In the 1980s, private education institutions were allowed to operate again, though on condition that they uphold standards. In 1983, Pakistan became the first country in South Asia to allow a university in the private sector by allowing Aga Khan University to be established as a private university. By early 1990s, private sector institutions were allowed to be set up more liberally. The process of promoting Urdu as a medium of instruction was reversed. Most higher education was again conducted in English.

Higher education both in public and private sector grew fast thereafter accelerating its pace after 1995-96. There is a sharp increase in the number of universities and colleges that are affiliated to the universities. Growth of number of universities (including degree awarding institutions - DAIs) and colleges and enrolment in them between 1999-2000 and 2006-07 in the public and the private sector is given in table 8 below. This does not include enrolment in distance education that is delivered primarily by the Allama Iqbal Open University (AIOU) and to a lesser degree by the Virtual University. Number of universities and colleges has seen a significant growth in recent years. Though, private sector (university and colleges together) constitutes only 17 percent of the total enrolment and about a third in terms of number of institutions, but private share is continually rising.

**Table 8: Growth of Universities and Colleges – Public and Private**

| | **Higher Education Institutions (Universities + Colleges)** | | **Enrolment (Universities + Colleges)** | |
|---|---|---|---|---|
| | ***1999-2000*** | ***2006-07*** | ***1999-2000*** | ***2006-07*** |
| **Public** | **676**<br>41+635 | **841**<br>64+777 | **414,190**<br>117,830+296,360 | **536,711**<br>242,879+296,832 |
| **Private** | **146**<br>27+119 | **414**<br>56+358 | **60,640**<br>21,490+39,150 | **108,173**<br>78,934+29,161 |
| **Total** | **822**<br>68+754 | **1,255**<br>120+1,135 | **474,820**<br>139,320+335,500 | **647,806**<br>321,813+325,993 |

Source: HEC and Ministry of Education (Pakistan)

Total enrolment in higher education (including that in affiliating colleges) stood at 6.48 million in 2006/07. In addition, about 200,000 students were enrolled in distance education programmes at the Open University and the Virtual University. A large majority of students (78 percent) are enrolled in general and science universities. With a growth rate of more than 16 percent, general universities would bear the bulk of the increase and would cater to 90 percent of the students by 2015. 60 percent students in these would be enrolled in general areas of studies and the remainder 40 percent in pure science programs. This is at divergence from the demands in the labour market that

requires graduates professional skills. Changing enrolment pattern is necessary to ensure that the higher education adapts to the changing economic structure.

Only about 3.8 percent of the eligible age group are enrolled in higher education. Current low levels of enrolment in higher education makes Pakistan's higher education an elitist system. The government is now committed to increase the enrolment ratio to 6 percent by 2010 (World Bank, 2006).

Even with the reversal of the short-sighted measures taken during the 1970s and despite growth throughout the 1980s and the 1990s, higher education continued to be neglected in Pakistan. As a result, by the end of the 1990s, universities were in a disastrous situation offering programmes with low quality and relevance and suffered from poor governance. It was with the setting up of a *Task Force for Improvement of Higher Education in Pakistan* set up in April 2001 that paved way for rejuvenation of the system. The Task Force consulted the Boston Consulting Group and held deliberations lasting over a year. It submitted its report in April 2002 (MoE, 2002). The Task Force found that the UGC established in 1974 was ineffective and had failed to meet the expected goals. Based on the report, UGC was replaced by the Higher Education Commission (HEC) in 2002 itself. The new Commission was designed with wider financial powers and autonomy and expected to work with the universities in a proactive and supportive manner.

*Higher education reform*

Immediately on its birth, HEC took up the task of bringing about wide-ranging systemic reforms in the university system addressing many of its ills. Public funding for higher education was increased significantly. Higher education budget rose briskly from Rs.3.8 billion in 2002 to Rs.33.7 billion in 2007. The reform programme addressed funding issues, faculty issues and provided access to quality teaching, learning and research resources. For allocation of resources amongst the universities on a recurrent basis funding formula was introduced. The formula linked the level of funding to the performance of the universities, instead of leaving it contingent on political whim, aligning it with historical trends at best. The formula combines parameters assessing: student enrolments, performance, and adjustments on account of cost increase and other factors. The first parameter is weighted in relation to the fields of study, thus allowing it to influence enrolments in a way that is consistent with the country's priorities. The second parameter is based on the share of enrolments in PhDs and on the share of PhD faculty.

To address faculty related issues, changes in the salary structure of academics under the tenure track system were made. Salaries of research active scholars were increased significantly. Stringent requirement for the appointment and promotion of faculty members and strict quality control of PhD programmes was made. University-wide digital library has been established to provide free access to over 23,000 research journals and 45,000 electronic textbooks from 220 publishers all over the world. Live lectures of faculty from advanced countries are made available to students in Pakistan through video-conferencing in real-time basis with full inter-activity. All these and many

other measures form the backbone of the Medium Term Development Framework (MTDF) 2005-2010 for higher education in Pakistan.

While, the Government and the HEC claim great success of their reform initiative, everyone does not agree. Prof. Pervez Hoodboy, Professor at the Quid-e-Azam University at Islamabad points out that though the public spending on higher education has increased substantially over the past 5 years, improvements have been cosmetic. According to him, 'solutions are needed at three distinct levels - determining correct funding priorities, implementing approved plans and projects responsibly, and, most importantly, inducing changes in values to promote and enable real learning.'

Main concern in Pakistan is the poor condition of colleges. Unfortunately, reform measures do not include pre-university and college education that needs immediate attention. Colleges desperately need improvements in infrastructure, administration and governance, curriculum improvements, computer facilities, and scholarships. During 2001-2004, funds allocated annually to over 600 colleges averaged Rs. 0.48 billion only, and the spending per college student was about a sixth that for a university student. In subsequent years, this has become worse. In 2007, HEC spent Rs. 33.7 billion. But it was mostly for universities and many experts like Hoodboy (2008) believe that spending more money on universities can result only in tiny, incremental gains because of the existence of various non-resource related constraints.

*Financing*

Despite recent increase, public funding of higher education remains a low priority in Pakistan. Merely 0.29 percent of the GDP is spent on higher education. As noted above, public funding is skewed in favour of universities. The colleges that are funded by the provincial governments are starved of funds. A merely 0.11 percent of the GDP is spent on colleges, though they enrol almost half of all students (other than distance education). Thus, overall, expenditure on higher education in terms of percentage of GDP is only about 0.4 percent. This is still far below that of India and the developed nations (World Bank, 2006). In recent years, faced with financial limitations, there is now emphasis on cost-recovery. Even though public universities count on the HEC for more than half of their recurrent expenditures, they raise 41 percent of their income from non-government sources, including affiliation (12%) and tuition fees (11%). This is a high proportion and shows the trends and future prospects for funding of higher education in Pakistan.

The top public university, Quaid-i-Azam University in Islamabad, while ensuring merit-based access and virtually free education for most students, has enacted a policy of setting aside a quota of places in its MBA program for students paying full tuition (over $1,200 per year) in order to increase revenue. This will probably result in a greater effort to raise standards and make the program competitive with the top private ones. This scheme is being offered at the International Islamic University as well, and will be introduced in other public universities throughout the country.

*Privatization trends*

Private sector plays an important role in education at all levels in Pakistan. About one-third students at the secondary school level and more than 40 percent at the primary level are enrolled in private institutions. National Education Policy (NEP) of 1979 recognized the need for private involvement in higher education and reversed the ban on private institutions imposed under the NEP of 1972. The first two universities in the private sector were – Aga Khan University and Lahore University of Management Sciences established in 1983 and 1985 respectively. The real growth in the number of private universities and degree awarding institutions (DAI) however occurred in the post-2000 period. Between 2001/02 and 2003/04, private higher education enrolment grew rapidly. Currently there are 57 private universities in the country. These universities are mostly located in the national or provincial capitals, where income levels are higher. In addition, there are 358 private colleges.

Private universities and colleges are small and tiny institutions. These are mainly teaching institutions with a few exceptions. They offer job-oriented programmes, though there are a few private institutions that offer general programmes as well. These employ part-time teachers and staff of lower qualifications than their public counterparts. While private institutions do not receive recurrent or capital funding from the government, but they are eligible to receive research and development grants from the government. Primary source of funds for private institutions is the tuitions fees. Thus, students at private institutions usually pay much higher tuition fees. Tuition and other fees vary considerably across private institutions and there is no restriction on student fees. However, there is a condition that at least 10 percent of the enrolled students must be granted fee exemptions or needs-based scholarships (Rizvi, 2002).

In Pakistan private higher institutions can be established either by the national government or the provincial governments, but they are all under the regulatory purview of the HEC. There is some ambiguity about the territorial jurisdiction of private institutions. It is not clear if an institution established by a provincial government can operate outside that province. Private universities cannot have affiliated colleges for first ten years of their existence, but they can set up their own campuses. Private institutions are particularly active in the areas of business administration, computer science, and IT – areas where demand is high. While, private higher education in most parts of the world is restricted to for-profit sector, in Pakistan even for-profit private sector is allowed. Non-profits however get certain benefits, such as exemption from income tax and relaxation of custom duties on import of education related equipment. Sometimes they benefit by getting land at subsidized prices. Private institutions receive indirect assistance including students' aid, tax benefits for academic staff and access to digital library resources funded by the government.

There is not only growing acceptance of private higher education in Pakistan, but the 2002 reform agenda gives clear space to private sector expansion. It is realized that the government efforts alone, cannot meet the nation's demand for higher education. Partnership with private sector is necessary to expand the educational facilities. An explicit target of 40 percent enrolment in private higher education by the year 2010 has been fixed.

Quality of private higher education continues to be a concern. Quality is highly variable. While there are several private institutions that offer sub-standard programmes and exploit students, there are some such as the Aga Khan University and Hamdard University in Karachi, and the Lahore University of Management Sciences in Lahore that offer high-quality instruction. These have excellent facilities and well-qualified faculty, however these are very expensive institutions and most Pakistani families cannot afford to send their wards to these institutions. Analyzing private higher education in Pakistan in 1997, Coffman pointed out that while public sector institutions are highly equitable, but most of them lack in quality, there are several private institutions that have high standards, but are unaffordable to a majority of people.

Another trend is private institutions fascination for American higher education. According to Coffman (1997), since American university studies are perceived to be high value in Pakistan, there is a hodgepodge of private institutions that bill themselves as full-fledged, accredited, branch American universities, or as affiliated with American universities and awarding degrees from their American affiliate. The majority of such claims are fraudulent, underlining their "foreign-trained" faculty as a guarantee of quality. Thus, several private institutions in Pakistan indulge in a variety of fraudulent activities giving an overall bad image to the private sector.

Thus, there is a need for close surveillance and monitoring of operations of private institutions by government agencies. A code of ethics is required for their operations. Grant of charter to private universities is conditional on grant of scholarship to meritorious needy students. While, several such measures have been taken ever since 2002 when private sector starting expanding rapidly, but little is known about the effectiveness of these measures to maintain standards of private higher education and curb their exploitive practices.

*Internationalization trends*

With limited domestic capacity, Pakistan has embraced foreign provision quite liberally. In 2005, more than 21,000 students went abroad for studies – mostly to the US and UK, but also to Australia, Germany and Malaysia. In the year 2007, 1100 visas were granted to Pakistani students who wished to study in UK. Though, there are concerns that parents in Pakistan are spending billions of rupees on higher education of their children in studies abroad every year, yet the number of Pakistani students studying abroad is increasing by 13-15 percent each year. Such concerns may not be valid. Pakistan government is committing its own resources to pro-actively use foreign education provision to build capacity of its higher education system.

Advanced countries have been fairly liberal in granting scholarships to students from Pakistan. The world's largest Fulbright Scholarship Program estimated at $150 million would enable 640 students to study in the US. Another 500 students will study in Australia under the Australia Pakistan Scholarship Program. In addition, Pakistani government is spending huge sums of money in foreign scholarships. It has a large Foreign Scholarship Program (with more than 821 scholarships granted so far) geared to improve research, particularly in engineering and sciences. A $250 million project that

would fund another 2000 students for study abroad has been approved by the Government of Pakistan. A programme to fund Post Doctoral Fellowships that placed more than 255 scholars for 9-12 month fellowships in premier academic and research institutions abroad has been completed. Altogether over 4,500 scholars will receive doctoral degrees and return to Pakistan on completion of their training to add to the faculty pool in Pakistan.

Under the Foreign Faculty Hiring Program, 270 foreign teachers with 140 of them for a long-term from one to five years were hired for universities in Pakistan (Rahman, 2008). With these highly qualified people, who worked for most of their lives in technologically advanced countries returning to join universities in Pakistan, "brain drain" has been transformed into a "brain gain" for Pakistan. With a view to foster academic linkages with foreign universities, a three-year, five million US dollar project has been taken up.

Foreign institutions both public and private can operate in Pakistan. The HEC encourages collaboration between foreign institutions and local providers. Different types of collaboration come with different regulatory requirements related to infrastructure, accreditation and inspection depend on the nature of the collaboration and the quality of the foreign institution.

Several of the collaborative programmes are in the area of business studies. The International School of Management Sciences, which is affiliated with Newport University in the USA, has three campuses in Pakistan one each in Karachi, Lahore and Rawalpindi and offer bachelors and masters level programmes in business studies. The City College of Higher Education in Karachi also offers undergraduate programmes with one year of study in Karachi and the subsequent two years in Britain. The College claims an affiliation with twelve British Universities. Institute of Business Administration and Technology which claims an affiliation with Adamson University, offers MBA programme in marketing management, finance a human resource management, production management and its degree is awarded by Adamson University in Manila. Others include, Lloyds School of Business, International University of America which claimed to be a local campus of the same University based in Canada, School of Business and Commerce which is affiliated with Preston University. Preston University is more than 14 years old in the country and operates two campuses in the city at present beside other campuses in Islamabad, Rawalpindi, Lahore, Peshawar and Hyderabad. Institute of Business Administration and Technology, (IBADAT) claims affiliation with Adamson University of Manila[2].

Thus, there is a large variety of collaborative programmes for higher education in Pakistan. Not all of them have explicit approvals. Currently only 8 foreign universities / institutions have been approved to run collaborative degree programs in Pakistan. This does not include programmes run by ‘top-ranked’ universities. Top-ranked foreign higher

[2] Areola, M.K. *1998.* Business education in Pakistan. Retrieved on 27 March 2008 from www.pakistaneconomist.com/database2/cover/c98-8.asp

education institutions such as the London School of Economics are allowed to run degree programs with local partners with only minimal regulation.

Occasionally UGC publishes a list of foreign institutions that run programmes in Pakistan without approvals. Following such advertisements, some of these foreign institutions publish two and three-page supplements in the dailies about their institutions. To gain public confidence, some of these supplements even carry messages from the chief minister and the governor as well as the federal ministers and other political personalities, such advertisements have now become a regular routine. Thus, despite approval process in place, difficulties are faced due to market behaviour where large overall unmet demand, particularly in some niche areas continues to exist.

In addition, Pakistan has taken a major initiative to establish high quality institutions particularly in science and technology in partnership with reputed foreign institutions. There is an ambitious $4.3 billion project to create nine Pak-European world-class engineering universities staffed with European faculty and administrators. These are being established in collaboration with Germany, France, Sweden, South Korea, China and Austria. Pakistan would pay full development costs, recurrent expenses, and euro-level salaries (plus 40% mark-up) for all the foreign professors and administrators. It is expected that a large presence of European professors teaching in these universities would ensure high standards of teaching. The universities would have technology parks and technology incubators for enhanced linkages with the industry and to help consolidate technological base in Pakistan.

In sum, Pakistan is still a small system of higher education. It passed through a bad phase in the 1970s and faced government apathy over the next two decades in the 1980s and 1990s. Now it is at the threshold of major change largely driven by comprehensive reforms taken up by the government in 2002. Private sector has been assigned an important role. Foreign provision is being used to build capacity and provide competitiveness to Pakistan higher education. College education that enrols almost 50 percent of the students continues to be neglected and stream-mix in enrolment does not align with the labour market trends.

**Bangladesh**

Bangladesh with a population of 150 million is an extremely poor country. With a large part situated in the delta of large rivers flowing from the Himalayas, a third of the country gets flooded every year during the rainy season disturbing normal life and economy. The country has a young population with one-third below 14 years of age and the median age is just 22.5 years. The country has low literacy rates at 43.1 percent and low levels of overall education. With limitation of the government to support education, private sector contributes to education infrastructure in a significant way at all levels. Higher education system is small. Only about 6.5 percent of the eligible age group are enrolled in higher education.

Higher education in Bangladesh is comprised of 2 to 6 years of formal education. Higher education is being offered in the universities, post-higher secondary colleges

(there are also colleges with higher secondary courses only) and institutes for diversified fields of study in professional, technical, technological and other areas. The minimum requirement for admission to higher education is the higher secondary certificate (HSC). HSC holders are qualified to enrol in 3-year degree pass courses; for honours they enrol in 4-year bachelors' degree honours courses in degree-level colleges or universities. After successful completion of a pass / honours bachelors' degree courses, one can enrol in the master's degree course. Master degree courses are of one year for honours degree holders and 2 years for pass degree holders. For M.Phil. duration is 2 year, while Ph.D. course takes 3 to 4 years after the master's degree.

*Origin, size and growth*

During the 1950s and 1960s, the higher education base was limited to a few pre-Pakistan period premier colleges and Dhaka University and Rajshashi University. According to Majeed Khan (2000), in the initial years, Bangladeshi academics remained mired in the glory of the past rather than knowledge creation and technological development and students were primarily motivated by concerns of ideology or issues of national and cultural identity. At the time of its independence in 1971, country had a small elite system of higher education with just 6 public universities. English was the medium of instruction. While, English continued to be offered as an elective subject, there have been continuous efforts to replace English as the medium of instruction in higher education since 1971.

Political movement that led to country's liberation created socio-political circumstances marked with violence and heightened student activism. This compromised the teaching-learning process in the universities. Post-liberation populist regime introduced several practices in university governance in the name of democratization. According to Alam, Haque, and Siddique (2007), this politicization of higher education had a lasting adverse impact. Accountability and quality assurance became a casualty. According to analysis of UGC report by Shamsul Haque (2001), there was rank inflation among the faculty members and grade inflation of graduates. By 1999, 42 percent of all teaching posts were professors and only 20 percent were lecturers. Violence at public universities claimed many student lives each year. There were countless unscheduled closures or session jams. Hopper (1998) noted that in many cases, it became difficult to hold classes for more than 100 days a year. 3-year honours degree took on an average 6 years to complete even in the most prestigious public university – Dhaka University.

During 1970s and the 1980s, higher education in the country continued to be dominated by the public universities. However, continuously declining standards forced large scale out-migration of both students and teachers from the country. Public university system could not meet the growing demand for higher education with vocational and professional orientation and the government could not fund new institutions. In these circumstances, option of non-state (private) universities was explored in the 1980s. It took almost a decade for the government and potential entrepreneurs to give concrete shape to this idea and the Private University Act was enacted in 1992.

Though several private universities came up immediately after the enactment of the private universities act in 1992, the number of students enrolled in them continued to be small. By the year 1997, there were only 6,200 students in the 16 government-recognized private universities. Most of the enrolment was in public system of higher education. By the year 1997, there were 11 public universities with 894 constituent or affiliated colleges. Nearly 85 percent of them were general colleges and balance professional (medical, dental, engineering, and law) colleges. More than 25 percent of the colleges were government managed; the rest were private. Almost all private colleges were gradually nationalized. They began to receive substantial government grants to meet most of the salary expenses and termed as private aided colleges. By 1997, the total enrolment was 297,795 with 88 percent (261,990) of the same in colleges. Both universities and colleges roughly had around 2,000 teachers. This shows that student: teacher ratios were steep in colleges and continue to be so.

University Grant Commission (UGC) is the apex body for higher education. Its primary responsibility is towards funding of public universities. Private Universities do not get any government fund, however, they need approval of UGC to operate and award degrees. Higher education has not been a priority sub-sector for public expenditure. While, 13.46 percent of the total budget was spent on education in 2005-06, higher education got a paltry 5.52 percent of the total education expenditure.

Each public university is expected to have its own mechanism to ensure quality. There is no provision for external review of quality for the universities. Teachers are recruited through nation-wide public service examination and the Ministry of Education is responsible for posting, transfer and promotion of teachers. Thus policies for academic staff are inflexible and highly centralized. There is no quality assurance mechanism in place.

Bangladesh has recently developed a 20-Year *National Strategic Plan* for higher education to address issues related to limited access, governance and low quality of higher education provision. The measures to address these concerns are depoliticization of public universities, setting up of national search committees for selecting Vice Chancellors, strengthening the UGC, establishment of accreditation council, enhanced support for research and strategies for developing and retaining a quality academic staff.

*Universities, colleges and enrolment*

Like India, Bangladesh has two categories of higher education institutions: degree awarding universities and colleges affiliated to the National University (NU). In 2007, there were 28 public universities with an enrolment of 116,397 students and 54 private universities with an enrolment of 88,669 students. Colleges affiliated to National University enrolled 755,588 students (World Bank, Country Status of Higher Education, 2007). In addition, Bangladesh Open University that offers courses mainly in teacher education enrols 170,171 students in the distance education mode.

**Table 9: Number of Colleges and Enrolment (Degree and above), 2005**

| Type of college | Total | Privately managed | Girls only | Total | Privately managed | Girls only |
|---|---|---|---|---|---|---|
| Degree Pass Colleges | 1187 | 1048 | 214 | 508742 | 218860 | 198328 |
| Degree (Honours) College | 61 | 20 | 11 | | | |
| Masters level Colleges | 89 | 28 | 5 | 58400 | 4346 | 21011 |
| Professional Colleges | 225 | 162 | 47 | 56446 | 42002 | 17483 |
| Teacher Training Colleges / Institutions | 188 | 108 | 1 | 23240 | 14372 | 8349 |
| **Total** | **1750** | **1366** | **278** | **646828** | **279580** | **245171** |

**Source:** National Education Survey (Post-Primary)-2005, BANBEIS, August 2006

Table 9 above provides the break-up of colleges and their enrolment providing education at degree level and above. All these colleges are affiliated to National University, that is to say that NU awards degrees. More than 80 percent students are in affiliated colleges. 78 percent colleges are privately managed. They enrol 43 percent students. Resource base of colleges is poor; student to teacher ratio is very steep; and these lack basic infrastructure and facilities. Many privately managed colleges also receive grants from the government. Most of the colleges offer BA Pass Course of 3-year duration with about one-third offering BA (Honours) Course. NU is also responsible for maintaining quality in these colleges. However, NU is busy mostly in arranging examination and publishing results and has no time to focus of quality improvement.

Curriculum in public higher education is focused mainly on humanities and social sciences. It is noted that public universities are usually inflexible and do not respond effectively to the market demand for skilled manpower. To remove this bias towards liberal education, some efforts were made to develop professional education in the public sector. By 1986, several professional institutions were set up. These included - 4 engineering colleges, 10 medical colleges and one dental college, 21 nursing institutes, 18 polytechnic institutes, 4 law colleges, 2 agriculture colleges, 16 commercial institutes, and 45 vocational institutes. But, this was inadequate. Out of the 94,746 graduates who have passed examination in 2003, only 5 percent have a technical or a professional degree, the remaining were graduates with general degree and hardly any employable skills and about 43 percent had honours degrees.

*Private higher education*

As noted earlier, higher education grew slowly during the 1970s and 1980s. By 1992, there were just 8 public universities that could accommodate a very limited number of students aspiring for higher education. With the view to meet the large and growing unmet demand, universities were allowed to be set up in the private sector in 1992. In just five years of the enactment of this law, private universities became a pervasive part of the Bangladeshi academic landscape. According to Hopper (1998), while it satisfied soaring demand for higher education, but it presented new challenges for the troubled public system.

By 1998, 16 private universities with 13 in Dhaka alone had opened. A large number of private universities were established between the years 2000 and 2004 and student enrolment in them grew rapidly. And now (in 2007), there are as many as 54 private universities. 46 of them are located in Dhaka metropolitan area alone. Although the number of students enrolled in public universities remains higher, the pace of enrolment growth in private universities has accelerated. From a mere 6,200 students in 16 private universities in 1997, it increased to 44,600 students in 52 universities in 2003. Now 88,669 students, that is 43 percent of overall university enrolment (other than colleges affiliated to NU) is in 54 recognized private universities.

Private universities offer courses only in those subjects that have high demand. Though, a few universities offer courses in liberal and fine arts, humanities and social sciences, namely, yet most of them offer professional degree programmes, namely - BBA, MBA, executive MBA, B.Sc. (Computer Science / IT), LL.B. LL.M, BA in Fashion and Product Design, Interior Architecture, Physiotherapy, and Hospital Management etc.

The private universities are generally priced for the growing upper middle class. Tuition rates usually vary between $1,000 and $2,000. Though there are more expensive ones like the Independent University of Bangladesh (IUB) that charge $5,000 per annum. Due to high fees charged, private universities are usually not able to attract bright students. Private Universities operate without paying income tax as they are established as non-profit entities under the Society Registration Act.

As per law, teachers' salaries and students' tuition fees are as per UGC norms. Five percent seats are kept for the poor and meritorious students. Minimum number of qualified teachers and minimum infrastructure / facilities (10,000 sq. ft. space own or rented) and fixed deposit of Taka 5 crore is required. Yet many private universities cut corners. Most of the private universities fail to meet the minimum requirements of physical infrastructure, fulltime qualified faculty, library, teaching aids and other facilities essential to provide quality higher education. Full-time teacher to student ratio is alarmingly low in most private universities. A large number of retired professors can be found working as full-time faculty. Though a few private universities attract faculty by offering higher salaries than the public sector, yet despite the guidelines and requirement of the private universities to seek permission to open and operate departments, they open new departments without permission. UGC is able to monitor their functioning only to a limited extent.

Despite the above limitations, a recent study (Alam et al, 2007) noted that the 'private universities in Bangladesh have responded to the social demand for higher education by absorbing a large number of students who otherwise could not have received university degrees.' The study points that though the reputation of public universities is still better; but it is secularly on decline. In an assessment of the performance of private universities (Daily Star, 2004), UGC noted that roughly 8 universities are highly satisfactory and another 10 are performing well, but a majority of them numbering 36 do not satisfy minimum level of performance. Yet students' demand for courses that they offer is large.

Some of the private universities are also entering students from developing countries like Sri Lanka, Nepal, Palestine and Saudi Arabia. Despite the fact that private universities do not enrol the best students but due to intensive course work and more conducive educational atmosphere they are better trained and motivated (Alam et al, 2007)

To sum up, Bangladesh has taken a liberal attitude towards private universities. The experience so far has been mixed. General quality is poor, but due to high relevance of courses that they offer, there is growing demand. Their styles of functioning are non-transparent. Money making motivations are at times very strong. Oversight mechanism is weak. Parents and students are not clear about relative strength and weakness of the private universities compared to public universities. The public universities that maintain low education fees still target the best students in respect of student and teacher activism. Commenting on the current status of higher education in Bangladesh, Visiting Professor at the University of Dhaka, Yuto Kitamura (2006), notes that 'higher education in Bangladesh appears to form a vicious cycle in which both the public and private universities unintentionally lower the quality of education due to competition'.

*Internationalization trends*

Trends towards internationalization in Bangladesh higher education are seen in several spheres. According to Hopper (1998), 'most noteworthy is the universal adoption of the American model of higher education, with a four-year bachelor's degree, a credit-hour system, and an academic calendar patterned after that in the United States. Most of the private universities have tried to establish "links" with universities abroad, especially in the United States. The majority of these, however, are hollow credit transfer agreements. The driving force behind these arrangements appears to be the legitimization and prestige that often come with foreign academic associations, and the chance that international relationships will increase the likelihood of study abroad. However, some of the private universities, such as NSU, have had very successful experiences with visiting faculty from abroad. It will take these institutions time to establish truly productive cooperative relationships. One private institution in Dhaka, AMA International University, is a successful Philippine-Bangladesh joint venture with 330 students.' London School of Commerce has a partnership with the University of Wales Institute, Cardiff (UK) and has a branch in Dhaka (apart from Melbourne and Kuala Lumpur).

Of late, there has been a mushrooming of private institutions of uneven quality operating outside the country's regulatory framework mostly in partnership with foreign providers. In May 2007, UGC published[3] a list of 56 private and / or foreign providers that as per UGC were operating in the country illegally. As per law, private universities or local campuses of foreign universities can set up or run their academic activities only after obtaining licenses from the Bangladesh government. Most of the operators however claim that they merely provide coaching to students and the certificates are issued by the foreign universities through their home campuses. It is believed that UGC had served such notices twice earlier, but did not take any step later. These are grey areas and raise

[3] Retrieved on 15 February 2008 from New Nation Online Edition http://nation.ittefaq.com/artman/publish/printer_36039.shtml

concerns arising from growing private higher education with international flavor. While, these concerns may not be easy to address, there is uncertainty about the fate of 12,000 students enrolled in these institutions.

Despite, growing domestic capacity, a large number of Bangladeshi students go abroad for higher education. According to UNESCO data, 14,513 students from Bangladesh were studying in other countries in 2005, an increase of over 10 percent from 2004 (UNESCO, 2006, 2007). Australia, the United States, Malaysia, the United Kingdom are the most popular countries amongst the Bangladeshi students. Interestingly, Cyprus and Japan also host a sizeable number of students from Bangladesh. Contrary to common belief, India received only 320 students from Bangladesh and this number decreased from 736 in 1993-94 (Agarwal, 2008). The decrease appears to be due to growing domestic capacity particularly in the private sector. Because of porous border, there is large flow of people between India and Bangladesh, the actual number of students from Bangladesh studying in Indian universities and colleges may be much larger.

In sum, higher education in Bangladesh has grown rapidly ever since, Bangladesh's independence in 1971. It is now second largest system of higher education (after India). Private higher education is also large and growing. Private education is both demand absorbing and growing dissatisfaction with public institutions. Some of the private education has international flavor. Regulatory arrangements for the private sector are in place but there are concerns about standards and it being exploitative. Outward student mobility is significant and increasing, yet mobility to India is small and declining. Inward mobility is almost negligible.

**Sri Lanka**

Sri Lanka was one of the first developing nations to understand the importance of investing in human resources and promoting gender equality. Advances made by the country in health and education are at par with those of the advanced countries. Near universal literacy and well-developed system of school education places Sri Lanka as a leader in education in South Asia and amongst the top-performing countries in the entire world. High priority given to education for over six decades with free education has resulted in school enrolment to increase from 1 million in 1947 to a peak of 4.2 million in the mid nineties, achieving universal primary education and a high level of participation in secondary education. Net enrolment ratio (in 2004) of 97.9 percent at primary level, a completion ratio of 95 percent, and a gender parity of 96 percent are laudable achievements.

In Sri Lanka, through the government has the primary role in education, but it does not have a monopoly over it. There are many Buddhist *pansala* and *pirivena*, Muslim schools, and Christian schools in the country. Roman Catholic Church alone operates several hundred schools enrolling over 80,000 children. However, the state system has an overwhelming influence over the majority of the people, especially the Sinhalese. Due to special thrust given to education at lower levels, Sri Lanka could

maintain healthy economic growth despite a devastating 20-year civil conflict and the setbacks arising out of the Asian tsunami of December 2004. The country's performance in higher education is however not as commendable.

*Origin, size and growth*

Roots of higher education in Sri Lanka can be traced to the Ceylon Medical College established in 1870 and setting up of the Ceylon University College in 1921. This College affiliated to the University of London prepared students for external examinations conducted by it. When the University of Ceylon (later renamed as University of Sri Lanka) was established in 1942, both these Colleges were amalgamated with it. Since then, higher education system has continually expanded. By 2006, there were 15 public universities, 7 postgraduate institutes, and 9 other higher education institutions with a student population of 107,796. Two new universities have come up in 2007 and the total number of public universities now stands at 17. The growth was most rapid between 1995 and 2000.

As per UGC data, 96,082 students were enrolled in the public universities in 2006. In addition, 11,714 students were enrolled in 16 other public postgraduate and specialized institutes. 23, 992 students are enrolled in the Open University of Sri Lanka in the year 2006-07. While seven universities are large and have enrolment in a range of subjects, the remaining are mainly regional universities with small enrolments in science based courses. Another 150,000 students (with two-third of them women) take exams without attending classes and are "external students".

In addition, about 50 private institutions are also operating and they together enroll 45,700 students. The private sector mainly imparts professional non-degree education particularly in the areas of accountancy, management and information technology. Only about 2500 students in these institutions are enrolled in degree programmes. Thus, depending on which categories of students are taken into account, estimates of gross enrolment ratio (GER) would vary. Taking all categories of students other than external candidates and non-degree courses in private institutions, GER is around 6 percent of the eligible age group.

After 13-year of schooling, about 100,000 qualify for admission to the universities. Out of this, only about 18,000 (target for 2007) which is about 5 percent of the average age cohort, are selected for university admissions. Others either find entry into the labour market or appear for university exams as external students.

The university system in Sri Lanka operates within the framework laid down in the Universities Act of 1978. The University Grants Commission (UGC), which functions as the apex body in the university system, allocates funds to the above universities and institutes, serves as the central admission agency for undergraduate degree courses, monitors and reviews the working of the university system with a view to maintain standards, and implements national polices in respect of university education. Earlier higher education was under the Ministry of Education. In 2007, a separate

Ministry of Higher Education was created to give greater thrust to higher education development.

Earlier, students sought a university degree primarily to qualify for service in government, which remained the major employer for years. The focus was on liberal arts education in English. In mid-1960s, Sinhalese and Tamil were introduced for the university exams. This led to increased demand for higher education and its expansion. The expansion was however mainly confined to liberal arts. This led to two problems: the growing difficulty of admissions and the growing irrelevance of a liberal arts education to employment.

During the colonial period and the two decades after independence, the Sri Lankan Tamil community – both Hindu and Christian – outstripped the Sinhalese community in the relative percentage of students in university education. The majority population of Sinhalese were frustrated. This led to the participation of many students in abortive uprising and ethnic clashes. Sinhalese agitation aimed at decreasing the numbers of Tamil students in science and medical faculties became a major political issue. This was attempted to be controlled by reservation quotas. In the 1980s, 60 percent of university admissions were allocated according to district quotas, with the remaining 40 percent awarded on the basis of individual merit.

Not only enrolment ratio is low, quality of higher education is also poor. Student assessments show a modest level of quality, and employers' assessments of graduates' both cognitive and attitudinal skills are also largely negative. UGC through its Quality Assurance and Accreditation (QAA) Cell has taken several steps to introduce a culture of accountability. QAA is also conducting a number of institutional reviews, subject reviews, awareness programs, and is currently completing subject benchmark statements. But, the impact of such interventions is not known so far.

More than 50 percent of the graduates in the university system are enrolled in arts, science and commerce subjects with low employability. Mismatch between job market and graduate supply is high. A 2004 study concluded that "the employers in the private sector in their recruitment preferences and policies were placing high value on a set of attributes and capabilities which they reported were deficient in the products of the present school and university system that are coming into the labour force" (NEC Study Series 16, 2004). This is corroborated by the study by Perera (2007) that teaching-learning in universities do not encourage the acquisition of competencies and social skills demanded by the labour market and the curriculum in many disciplines are not in tune with broader economic and social needs.

There is a strong indication that the position as regards priority in allocation of state resources to tertiary education, should be to provide university education suited to employment needs. There is an indication by those, with students failing to enter universities and with students in private higher education that professional education should also receive priority. It has to be noted that these two options are closely related to employment. The definite indication also by students is that priority should be given to

courses which can be expanded rapidly and to courses which can be sandwiched with periods of employment.

*Financing*

Being state-dominated, there is obvious constraint about the inability of the government to generate adequate resources to expand capacity for widening access in higher education. The annual public expenditure *(2002)* on education is of the order of Rupees 40 billion. Out of this amount about Rupees 33 billion or nearly 83 percent of the total is devoted to primary and secondary education and 5.6 billion (14 percent of the total) is spent on university education. Technical education receives about 1.4 billion (less than 4 percent). With a view to give greater thrust to higher education, allocation for university education has been increased to Rs. 8 billion in 2007. Access is also being enhanced through distance mode through the ADB funded Distance Education Modernization Project (DEMP). Technical education is also being upgraded and expanded through another ADB funded Technical Education Development Project (TEDP).

Though education at all levels is supposed to be free, it is estimated that the parents spend an amount of the order of Rupees 10 billion every year. This includes expenditure of Rs. 5.5 billion annually for private tuition alone. Incidentally, parents across income levels pay for private tuitions without compromise. Parents do not consider the payment of large fees to the private tutors as compromising the principle of state dispensed free education, but find it necessary due to inadequacies in the school education system. This suggests growing role of the private sector in education and training and is now visible at higher education level as well.

*Private higher education*

Although there are provisions in the existing Universities Act of 1978 to recognize degree courses conducted by private institutions, the process is still not clear. Some private institutions conduct courses leading to degrees in collaboration with foreign universities. A major impediment in the existing university system is that there has been a lack of reforms that would facilitate the growth of accredited private institutions.

There is very little organized information available on private and foreign providers of higher education in Sri Lanka. Study by Perera (2007) obtained a list of 21 private providers. Interestingly, there are two fee levying private institutes, namely National Institute of Business Management (NIBM) at Colombo and the Sri Lanka Institute of Information Technology (SLITT) at Malabe. These institutions have been set up by the government under the companies act.

Despite a wide variety of private institutions allowed even under the companies act, private institutions that offer degrees are few. There is a general opinion is that private providers should be permitted to come only into fields for which the state cannot satisfy the demand and that they be required to admit a sizeable proportion of students on scholarships and that the state should provide subsidies for poorer students. The QAA

does not deal with private institutions. The move towards an independent accreditation board is currently being discussed.

*Internationalization trends*

Due to a dearth of higher education opportunities within the country, a large number of Sri Lankan students go abroad for higher studies. The preferred destinations to obtain degrees in higher education are Australia, the U.S. and the U.K. India is not a preferred destination, but several students opt for it because of lower costs, geographical proximity and cultural affinity. According to UNESCO database, the number of students coming to India has decreased. However as per the Indian Higher Commission at Colombo, the number of students coming to India increased from 1000 in 2002 to 1600 in 2003. Most of the students come to Bangalore, Chennai Trichy, Madurai and Delhi. Some other universities in Punjab, UP, Kolkata and Mumbai also attract a small number of students. Of these, Bangalore University has become popular with Sri Lankan students only since 1991. This is because after Rajiv Gandhi's assassination in 1991 the Tamil Nadu government refused admission to Sri Lankan students (Taneja, 2004).

Several foreign universities offer higher education degree programme in partnership with Sri Lankan institutions. Perera (2007) identified five institutions that had links with foreign universities, namely – AIMS College of Business and Information Technology (ACBIT), Colombo with Preston University, USA, Asia Pacific Institute of Information Technology (APIIT) with 13 UK Universities and 8 Australian Universities, Australian College of Business Technology (ACBT), Colombo with Edith Cowan University of Australia, Institute of Technological Studies (ITS), Colombo with Troy University, USA, and Imperial Institute of Higher Education, Colombo with University of Wales, UK. There are several other private and foreign providers, such as American National College (ANC), Singapore Informatics, and Institute of Chartered Financial Analysts (ICFAI) that offer higher education qualifications. These are mostly based in Colombo.

Sri Lanka is predominantly a public system of higher education. Unlike, school education, higher education is underdeveloped. As a result, a proportionately large number of students go abroad for studies and many of them do not return back. Thus, Sri Lanka has the highest rate of emigration of graduates with higher education qualifications at 27.5 percent. A large number of physicians trained in Sri Lanka (17.4 %) have emigrated despite shortages at home. As a result, Sri Lanka suffers from serious brain drain problem (World Bank, 2008).

**Nepal**

Nepal with a population of 28.9 million (July 2007 estimates) is among the poorest and least developed countries in the world. Three-fourth of the population is engaged in agriculture and raring livestock. Industrial development is very basic. The tourism industry that contributes a major share of foreign exchange has been hampered in recent years due to worsening law and order situation arising from Maoist conflict in the country. Following the peace accord in November 2006, an interim constitution has been promulgated until the elections to the Constituent Assembly are held. For its major

infrastructure and development projects, Nepal depends significantly on foreign aid. With low literacy rates, high incidence of poverty and under-developed education system, Nepal has a low participation rate in higher education.

*Origin, size and growth*

Higher education in Nepal is a fairly recent phenomenon. Though Tri-Chandra College (affiliated to Calcutta University and then Patna University) was established in 1918 and several new colleges came up after the advent of democracy in 1951, the country's first university, Tribhuvan University (TU), was established only as late as 1959. By 1965, there were 5 colleges with total enrolment 5,000 and 51 community colleges with a total enrolment of 10,000 in the country. Since then, there has been a rapid expansion of higher education. During the 1980s, compared to other levels of education, higher education expanded most rapidly at an 11.7 percent per annum, and continued to grow rapidly even during the 1990s with a 10.5 percent growth rate (Sijapati, 2005). Enrolment increased in higher education from 17,000 in 1971 to 103,290 in 2001 and then to about 254,856 by 2005/06.

Academic programs of bachelor's degree and above are regarded as higher education in Nepal. However, universities continue to offer proficiency certificate level (PCL) - programs equivalent to grades 11 and 12. Duration of bachelor's program is 3 to 5 years and masters level – 2 years. Universities have constituent and affiliated campuses (colleges). There are plans to shift education at grade 11 and 12 from the university system to the higher secondary schools, yet there continues to be a significant enrolment in grades 11 and 12 in the university and its affiliated campuses. 40 percent of the students in constituent campuses in TU were enrolled at thee grades. Thus, though the overall enrolment in the university system stood at 254,856 in 2005-06, enrolment at graduate level and above was about 160,000.

Currently, there are 6 universities: Tribhuvan University (TU), Mahendra Sanskrit University (MSU), Kathmandu University (KU), Purbanchal University (PurU), Pokhara University (PokU) and Lumbini University (LU) and two autonomous medical institutions, namely - BP Koirala Institute of Health Sciences (BPKIHS) and National Academy of Medical Sciences (NAMC). Details of campuses and enrolment in various universities are given in table 10 below. Tribhuvan University is the oldest and main university in the country. TU has a dominant presence in the country's higher education system despite the country's efforts at decentralization of higher education by bringing in regional university concept during the 1990s. Tribhuvan University with 60 campuses and 348 affiliated campuses has about 91 percent of the enrolment. Other universities are small with a few affiliated campuses with enrolment in a few thousands only. Medical institutions are even smaller. Affiliated campuses are tiny, enrolling merely a couple of hundred students.

**Table 10: Campuses and Enrolment in Nepal (2005/06)**

| University | Numbers of campuses | | | Enrolment | | |
|---|---|---|---|---|---|---|
| | Constituent Campuses | Affiliated campuses | Total | Constituent Campuses | Affiliated campuses | Total |
| TU | 60 | 348 | 408 | 153,126 | 78,491 | 231,617 |
| MSU | 12 | 16 | 28 | 1,584 | 1,250 | 2,834 |
| KU | 6 | 11 | 17 | 2,476 | 2,686 | 5,162 |
| PurU | 3 | 73 | 76 | 358 | 8,454 | 8,812 |
| PokU | 3 | 23 | 26 | 408 | 5,207 | 5,615 |
| BPKIHS | 1 | 0 | 1 | 898 | 0 | 691 |
| NAMS | 1 | 0 | 1 | 125 | 0 | 125 |
| ***Total*** | **86** | **471** | **557** | **158,975** | **96,088** | **254,856** |

**Source:** UGC Annual Report 2005/2006

The Ministry of Education and Sports (MOES) is responsible for the education sector in Nepal. Funding and monitoring of higher education is the responsibility of University Grants Commission (UGC) except BPKIHS and NAMS that receive grants from the Ministry of Health. Constituent campuses receive public funding and universities oversee their academic, administrative and financial management. Only a limited number of affiliated campuses receive public funding, though universities are responsible only for supervision of their academic programs and examinations. In addition to public and private campuses, there are some campuses are funded and managed by the communities. Community colleges receive small amounts of financial grants towards capital costs from the government through the UGC.

Due to financial limitations Nepalese government has in principle decided to adopt cost-recovery policies in higher education. There is a trend towards regional development of higher education by conversion and upgradation of affiliated colleges to full-fledged regional universities (Shrestha and others, 2007). According to Sijapati (2005), subsidies for higher education in Nepal have exacerbated inequalities in Nepalese society. Almost 80 percent students enrolled in higher education come from the wealthiest one-fifth population while only 0.4 percent students are from the poorest one-fifth and only 6 percent from the poorest half.

Apart from the UGC, six professional councils and several professional societies are responsible for maintaining standards of higher professional education in Nepal. Recently, the Quality Assurance and Accreditation Council (QAAC) has been established within the aegis of UGC. Several reform initiatives have been taken up. These include decentralization of universities, particularly in TU. TU has adopted Autonomous Institute / Campus Rules in 2006; formula-based funding for universities; phasing out PCL (class 11 and 12) from universities; and introduction of means tested student financial assistance program that enable poor meritorious students to got for higher education.

*Private higher education*

Under pressure from enterprising educationists and influential parents seeking more opportunities for professional education, Nepal opened up higher education to private sector. By 1980, TU had begun to affiliate private campuses. As teaching in public institutions was disrupted due to frequent disturbances, private colleges became popular over the years. By early 1990s, there was pressure to set up a private university. The first private university, Kathmandu University was set up in the year 1992. The regional universities (PurU and PokU) primarily expanded by granting affiliation to private campuses. Private campuses outnumbered the government funded campuses. According to MOES, in 2005-06, there were 471 privately run campuses under different universities that run under graduate and post graduate programs in different subjects.

An interesting aspect about private higher education in Nepal is that even the private institutions receive government funds. Kathmandu University, though a private university, receives large financial support from the government. According to Lal (2000), per student UGC grant for Kathmandu University is more than the per capita grant given to the public colleges affiliated to Tribhuvan University. While all affiliated campuses of MSU and many affiliated to TU receive government grants, most of the affiliated campuses of KU, PurU and PokU do not receive government grants. The fee levels in private affiliated campuses and campus of Kathmandu Universities and the two regional universities is thus high. The fees are significantly higher for medical and engineering studies (Shrestha and others, 2007)

Public education generally lags behind the private at all levels. This has far-reaching social consequences in terms of segregation between students from low- and high-income families. While the public institutions cater to the poor, the private institutions cater to the rich (Joshi, 2002). Currently, there is no government policy to regulate fees charged by the universities. As a result, some private medical colleges collect total fees for the full study period of 4 to 5 years at the time of admission. This practice discourages students from poor and middle-class families to join private institutions.

With the practice of providing government grants to private run institutions, the distinction between public and private is blurred. Sijapati (2005) estimated that over 20 percent enrolment in higher education and over 30 percent in technical and vocational education was in the private sector in 2004/05.

*Internationalization trends*

There is also a large outflow of students from Nepal to other countries in search for quality education. The most sought after countries are USA, Australia, India, UK, China, Pakistan, Bangladesh, Germany, Malaysia, Japan, Thailand and Cyprus. As per UNESCO data, nearly 9000 Nepalese students were studying abroad in the year 2005. About 60 percent of them go to the United States with around a third on self-financing basis. Australia has displaced India as the second most popular destination for study abroad by Nepalese. As per data maintained by the Scholarship Section of MOES, 2823 students from Nepal had taken permission for foreign exchange or no objection from the

Ministry for study abroad on self-financing basis. It is seen that some Nepalese students also to go to Pakistan and Bangladesh for higher education. The figures do not include the number of students coming to India. Several Nepali students are also enrolled in the medical courses in China.

India is one of the most popular destinations for the Nepalese students. Indo-Nepal Treaty of Peace and Friendship (1950) provides for a "special relationship" between India and Nepal that provides Nepalese in India the same economic and educational opportunities as Indian citizens. There are thousands of Nepali students who are studying in many Indian universities. The main programs of study for these students there are medical courses, engineering, business administration and computer engineering. The figures in UNESCO database referred to in the previous paragraph may be grossly understated. There are hundreds of foreign education consultancy services in Kathmandu through which the students establish linkage with the universities and enroll themselves in various academic programs.

There are also many foreign students, particularly from the region who study in Nepalese higher education institutions. The major programs of study for them are medical courses (in Kathmandu University and BP Koirala Memorial Medical Programs), linguistics and sociology/anthropology courses (Tribhuvan University). Regarding the staff and faculty movement, it is very rare that Nepali staff and faculty go to the other countries so often with some exceptions. However, there are many Indian teachers and administrative staff working in different higher education institutions. There are many Indian professors in KU and BPKIS Medical Education Programs.

Development of higher education in Nepal depended heavily on bilateral and multilateral aid. A medical college and polytechnic were established with Indian assistance. Manipal Education and Medical Group - a private education group from India has set up another medical and dental college. This institute enrolls a significant number of students from India.

The recent reforms that have been taken in higher education are more concerned with quality and equity at the higher education level, providing scholarships to students, generating additional funds for higher education, initiating regional and open universities and developing a national curriculum framework. Other efforts include increasing the international cooperation for higher education. Medical programmes in Nepal are accredited by Medical Council of India and Sri Lanka besides that of Nepal.

In sum, beginning with setting up of Tribhuvan University (TU), higher education in Nepal has expanded fast. The growth has been around TU and Kathmandu. But, in recent years, it is more decentralized and financially independent private sector is emerging on the scene. Nepal sends a significant number of students abroad for higher studies and only a fraction of them on scholarships. Nepal also hosts some foreign students, particularly from the region.

## Afghanistan

With a population of 31.89 million (July 2007 estimates), it is the fourth largest country in South Asia after India, Pakistan and Bangladesh. Afghanistan is an extremely

poor landlocked country that is currently recovering from several decades of conflict. With the fall of Taliban regime in 2001, the economy of the country has improved considerably with the infusion of international assistance. Over the next decade or so, the country's focus would be to extend the rule of law to all parts, rebuild key infrastructure including education infrastructure and ensure that basic facilities are available to all its citizens. For this, it will continue to depend on substantial foreign aid.

During the 1970s, Afghanistan had a well-functioning though small system of higher education. Kabul University was set up in 1946 by adding new faculties to College of Medicine that was opened in 1932. It is the most reputed university in Afghanistan. Universities in Afghanistan had begun to admit women in the year 1960. Over the years, several new universities were set up. During the time of war, universities were severely affected, but these continued to function albeit with severely damaged physical facilities, next to no textbooks, libraries or laboratories, and hampered by under-qualified staff. The Taliban did not allow women to join universities in areas under its control.

*Rebuilding higher education*

Rebuilding higher education was taken up immediately after the process for restoration of normalcy began in 2001. Over the past seven years, serious efforts have been made to revive higher education along with primary and secondary education. It was considered as a pressing and critical need for successful reconstruction of Afghanistan. Soon all 19 universities became active and enrolment that had gone down to 4,000 by 2001 increased more than ten-times to reach 42,000 students by the end of 2007, however only 20 percent of them were women. All 19 higher education institutions have seen increasing enrolments. Students are returning from Pakistan and other countries. Despite this growth, participation in higher education in terms of percentage of eligible age group at about 1.5 percent is one of the lowest in the world.

With more students passing out from schools, demand for higher education is on the rise. There is an urgent need for well-educated and trained people in all sectors of the economy. There continues to be a critical shortage of professionals such as engineers, technicians, administrators, accountants, agriculturists, and business leaders, to meet the needs of reconstruction, growth and poverty reduction.

The total operating budget of all colleges and universities in Afghanistan is $16 million, where 65 percent of the funds are used to cover housing and feeding the students. Therefore, less than $135 is spent per student per year. There is a dire need for capital for rebuilding infrastructure and getting instructional equipment. It is estimated that by 2014 there will be 1 million high school graduates, but the system is woefully under-funded to meet current needs let alone addressing the long-term requirements for increased enrolment in higher education (Qayoumi, 2006). Based on a strategic action plan, the Government proposes to increase enrolment in higher education to 100,000 with at least 35 percent female students by the year 2010 (IIEP, 2004).

The World Bank has provided a US$40 million Grant for strengthening higher education. It is aimed at progressively restoring basic operational performance at six core universities in Afghanistan—Kabul Polytechnic University, Kabul University, and four regional universities (Balkh, Herat, Kandahar, and Nangarhar) through partnership programs with universities in the region and in the West and competitive block grants. This is the first phase of a long-term higher education development program in Afghanistan, acting as a catalyst to attract various resources to the Afghan higher education sector (World Bank, 2006).

The United States has also provided bilateral aid for the Higher Education Project (HEP). Awarded in January, 2006, HEP seeks to improve access to quality education throughout Afghanistan by building sustainable capacity to deliver quality teacher education for future secondary school teachers. The project will deliver short-term improvements by training faculty and administrators, and long term, sustainable improvements by strengthening the human resource base and institutional capacity.

Universities in Afghanistan have little autonomy. They are subject to rigid administrative regulations and rules. The notion of planning, management and performance indicators is both foreign and weak in the higher education institutions and system as a whole. Both teaching and administrative staff are civil servants and their pay scale is similar to civil service grades. Employment status and salary scale of faculty need to be rationalized to attract better qualified faculty.

*Private higher education*

The government has drafted a new higher education law. This law – awaiting endorsement by the Parliament, is very comprehensive and forward looking piece of legislation. The law stipulates the responsibilities of the state / public providers and private providers. For the first time, the law provides for operation of private institutions in Afghanistan. Towards this end, proposals for setting up of the American University of Afghanistan (AUAf) with the cooperation of the US Embassy and the Afghan Turk University through Afghan Turk Foundation have been initiated[4]. The Asia Foundation has already developed a set of financial and administrative systems for the private university that would help the AUAf to raise resources.

*Internationalization trends*

But for proposals above, there are no foreign providers in Afghanistan. However, more than 3000 students from the country are studying abroad. Iran, Germany, Turkey, Saudi Arabia and the United States are the top-five countries that host students from Afghanistan. Their numbers is on the increase. A large proportion of those who stud abroad do not return. Emigration rate of graduates with higher education at 13.2 percent is very high at 13.2 percent and next only to Sri Lanka. In fact, a typical case of brain drain is that almost 10 percent of the physicians trained in Afghanistan (445) work abroad, while there is serious shortage of physicians at home (World Bank, 2008).

[4] As per statement by the Minister Sharif Fayez, Higher Education Minister of Afghanistan at the Conference on Strategic Planning of Higher Education for Afghanistan October 6th-7th, 2002 Indiana University Bloomington

In sum, higher education in Afghanistan is in the process of rebuilding. In this effort, international aid community and several advanced nations are assisting the country. It is expected that as the domestic capacity increases, much lesser number of students would go abroad for higher education. In fact, there is potential to attract many highly qualified people from abroad to rebuild higher education in the country.

**Bhutan**

Bhutan is a small landlocked country strategically located between China and India controlling several key Himalayan mountain passes. With a population of nearly 2.3 million (2007 estimates), Bhutan is one of the smallest and least developed economies in the world. Its economy is primarily based on agriculture and forestry with a tiny cottage industry sector.

Higher education is still in a nascent stage in Bhutan. Enrolment ratio in higher education is very low, particularly in the rural areas and among the girls. Bhutan traditionally sends its brighter students overseas for higher education, mainly to India, and to a smaller extent to Australia, Canada, and the United Kingdom. A majority of them return to their homeland after higher education abroad.

In 2004, the first university, the Royal University of Bhutan (RUB), was established by amalgamating several post-secondary colleges spread across the country. Higher education in Bhutan is now entirely under this university. As of August, 2007, total enrolment in the university (read country) stood at 4190. One third of them were women. Primary responsibility of the university is to develop qualified teachers for the school sector. It is therefore not surprising that 35 percent of the universities enrolment is in teaching faculty.

The university has taken up strategic plan for expansion. As per this plan, total enrolment is expected to more than double, and would be 8847 by 2012. Special thrust is to develop qualified academic staff for the university itself. Currently, there are 729 teachers and 78 of them non-Bhutanese. Their numbers will proportionately increase and reach around 1500 by 2012. It is planned that 75 percent of the academic staff would have Masters' Degree and 12 percent would have Ph.D. Degree by 2012.

Besides, special focus is on developing capacities in the university for curriculum design. Assistance of IIT Kanpur, University of Delhi and University of New Brunswick (Canada) is being sought to make the academic standards of the university comparable to those of any reputed universities in the world.

RUB is an associate member of the Association of Indian Universities (AIU), International Association of Universities (IAU) and the Asia-Pacific Quality Network (APQN) for higher education. Membership of AIU enables students passing out from RUB to pursue higher education in any university in India. The university aims to provide an internationally recognized standard of education which will allow the Bhutanese to pursue graduate studies elsewhere.

Currently, there is no move to involve private sector in higher education in Bhutan. Since, the country and demand for higher education is also not large, pressure for involvement of the private sector in higher education is limited. RUB fulfils most of the local demand and a proportionately large number of students go abroad for higher studies. In most cases, fee is paid by the Government or by the host country and in some cases through foreign / multi-lateral aid.

In sum, Bhutan has a small system of higher education, now totally under the fold of Royal University of Bhutan. Ever since, its formation the university is building the capacity in house with the assistance of foreign institutions. A significant number of students go abroad for higher education with most of them coming back. As the domestic capacity grows, it is likely that many of them will stay back in Bhutan itself.

**Maldives**

Maldives is a small island state in the Indian Ocean, south-southwest of India. Essentially a group of atolls, 80 percent of the country's landmass is one meter or less above sea level. It is a small Muslim nation with a population of 369,031 (July 2007 estimates). For long, it was a Sultanate, first under the Dutch and then British protection. It became an independent nation in 1965. After political turmoil, in August 2004, process for democratic reforms has been set in motion. First-ever presidential election under the multi-candidate, multi-party system is slated for November 2008. Tourism and fishing are the main economic activities.

Adult literacy rate at 96.3 percent (as per 2000 census) is amongst the highest in South Asia and the Indian Ocean region. Even female literacy rate is equally good. Primary and secondary education is also well-developed, though higher education is small and under developed. Maldives is one of the few small island states without a university. Higher education qualifications are obtained by the citizens either by training from abroad through fellowships or through a very limited number of courses offered within the country.

Higher education in Maldives is provided by the Maldives College of Higher Education (MCHE), College of Islamic Studies (CIS), Centre for Continuing Education (CCE) and a number of private institutions. Many students pursue higher education and training overseas. The Department of Higher Education and Training (DHET), is the government agency responsible for facilitating the growth of higher education and training and to provide policy and logistical guidance to the sector in Maldives.

Maldives College of Higher Education (MCHE) is the only degree-granting institution. MCHE along with CIS and CCE offer a number of certificate, advanced certificate, diploma and advanced diploma programs in a variety of subjects. In 2005, there were about 4,000 students in MCHE and 300 each in CIS and CCE enrolled in long-term courses, i.e. courses of duration of one year or more. About 2,000 students were enrolled in short-term courses. In addition, 86 private institutions were registered with the Government. Many of them offer certificate and diploma level programs in

computer and management related subjects. These institutions together enrolled about 3000 students, but only about 250 are enrolled in degree awarding programmes.

It is estimated that 1000 to 1500 Maldivian students study abroad. This number is significant in consideration of the country's small population. While many students are on scholarships, an increasing number of students are funding their own studies. The most popular study abroad destinations are Malaysia, India, Sri Lanka, United Kingdom, Australia and Egypt. Since a large proportion of the country's skilled labour force studied abroad, the country has developed a policy and procedure for Government's recognition of qualifications earned abroad. The Maldives Accreditation Board (MAB) of the DHET manages the Maldives National Qualifications Framework (MNQF) is responsible for recognition or validation of qualifications offered by institutions abroad. MAB also facilitates quality improvement, quality assurance and private sector participation in higher education.

Rapid economic growth in recent years has led to a skill shortages in key sectors. While, some of this shortage is being met by inflow of foreign skilled workers, overseas skill fellowships have made a significant contribution to raising the technical competence and qualification levels of the country's workforce. Under the *Third Education and Training Project* funded by the World Bank, 321 education overseas fellowships were provided. Apart from education sector, tourism and hospitality sector benefited from this (World Bank, 2007).

There is a large dependence for training in tourism and hospitality sector on foreign provision (Maldives, 2007, p.43). Apart from training the locals abroad, these sectors employ up to 50 percent of their staff, presumably highly trained, from overseas. Many firms send their employees overseas for training often to Singapore. There are partnerships with foreign institutions. Faculty of Hospitality and Tourism Studies of MCHE has entered in a partnership with the Birmingham College of Food, Tourism and Creative Studies for offering a range of professional programs in related areas. Academic programs are approved by the EdExcel Foundation (United Kingdom) to maintain international standards.

In sum, though Maldives does not have a university, but as a small island state and a thriving service economy based on tourism sector, there is a variety of programmes on offer both in higher education and training sector. Further, foreign provision is used to build capacity and a large number of overseas qualified people also work in the tourism sector in Maldives. Overall enrolment levels at around 10 percent are also good.

## VI. Regional Trends in Higher Education

Based on the country studies in the previous chapter, an analysis of regional trends has been done here. This analysis covers key characteristics, growth trends, changing financing arrangements, privatization, and internationalisation trends. The analysis draws insights from the practices and situations in different countries with a view to highlight the changing relationship between higher education and society in the region.

## Origin and growth

Systems of higher education in the countries of South Asia share the same historical past. The region has a long history of advanced education going back to the Buddhist monasteries of the 7th Century BC, to the 3rd century A.D. Hindu Nalanda, and to the 11th century Islamic madrasahs. According to Perkin (2006), these institutions did not grow much over the centuries. By the time of British Raj in the 19th century A.D., these institutions were in low water. In the 19th century, the foundation of modern higher education was laid by the British. Starting with the three federal examining universities in Calcutta, Bombay and Madras, over the next 100 years or so, several universities and colleges were set up. These universities were based on the pattern of the University of London that affiliated colleges.

The system grew slowly and followed an isomorphic pattern until the independence. According to Jayaram (2006), the region inherited an 'anaemic, distorted and dysfunctional' higher education system from its colonial masters. At the time independence in the year 1947 / 1948, India, Pakistan (Bangladesh included), Afghanistan, and Sri Lanka had very small system of higher education. Nepal, Bhutan, and Maldives had almost no higher education facilities. Students from these countries came to India for higher education. Ever since, although, the emphasis on higher education has varied across the South Asian countries, higher education has grown in all these countries. Due to the common past, the basic affiliating system and the academic structure have remained the same. Today, higher education systems in these countries are in various stages of development.

The foundation for modern higher education was laid by the British in interesting circumstances. It was expected to serve their economic, political and administrative interests of the British and consolidate and maintain their dominance in their colonies. Thus, the courses were biased in favour of languages and humanities, rather than science and technology. The unintended effect of modern higher education was its contribution in fuelling the nationalist movements seeking independence. Ironically, modern higher education helped the elite to arm themselves ideologically and acquire the necessary intellectual and moral means to gain independence.

Even today, the academic systems and fundamental ethos (core principles, administrative organizations, the professoriate, personal affairs, research organizations, curriculum, teaching methods, examination systems, etc.) of universities in South Asia follow the examples of universities in Britain to a large extent. Through, some universities and institutions of higher education established in the later period when the United States had become a powerful centre of learning after World War II bear the imprint of the universities in the United States. As per Altbach (1982), the model of growth of higher education in South Asia is based on centre-periphery or dominance-subordination relationship. This needs to be distinguished from higher education growth in East Asia.

On examining the 'Eastern Asia Approach' to higher education growth, Cummings (1997: 275-276) found that most countries East Asia followed policies implemented in Japan for expanding their higher education systems. Salient features of

these policies are - (i) The state coordinates education and research, with a firm emphasis in indigenous values transmission and the mastery of foreign technology; (ii) High priority is placed on universal primary education, while the state intervention at the secondary and tertiary level is limited primarily to critical areas such as engineering and the sciences; (iii) Individual students, their families and private sector are expected to provide critical backup for the education provided by the state; and (iv) The state in seeking to coordinate not only the development but also the utilization of human resources involves itself in manpower planning and job placement and increasingly in the coordination of science and technology. He termed it as J-Model of higher education growth.

Cummings (1997: 275-276) noted that from the late 1970s to the early 1980s, the J-model spread to Taiwan and South Korea, and from the late 1980s to the early 1990s, to Thailand, Malaysia, Singapore and Indonesia. This model essentially has strong government initiated policies tolerant of private sector initiatives unless these went against the public goals. In contrast, growth trends in South Asian countries show weak government policies resulting in unplanned and chaotic growth of higher education.

In countries of South Asia, democratization has preceded economic liberalization. Though parliamentary democracy is yet to take firm roots in countries of South Asia other than India and Sri Lanka, but political processes have been around for many years now. Thus expansion of higher education has been based on political principles. Role of higher education in promoting citizenship and quest of knowledge for its own sake forms the ethos of higher education institutions. Focus on science and technology in higher education has been relatively less. Graduates mainly found jobs in the government sector. It is only in recent years, that the economic purpose of higher education is getting highlighted. The governments in the countries of South Asia are also seen to be taking control and initiating change in their higher education sectors.

While higher education systems have expanded in all countries of South Asia and with expansion undergoing structural transformation, the affiliating system and academic structure have broadly remained the same. As seen in Table 1, the countries of the region have numerous official languages and huge language diversity. Use of vernacular medium in higher education has been a contentious issue in most of the countries in the region. Despite this, the language of instruction in higher education is mostly English. Despite greater focus on professional and vocational education in the recent years, the growth has been mainly in liberal arts education in all the countries.

**Common affiliating college system**

Affiliated college system is common to the major higher education systems in South Asia. India, Pakistan, Bangladesh and Nepal all have affiliated colleges. In this model, the university affiliates colleges (in Nepal, these are referred to as campuses) that conduct teaching-learning under the academic supervision of the university to which they are affiliated. The colleges do not award their own degrees, but award the degree of the university to which they are affiliated. Despite, this common feature, size, nature and importance of affiliating system vary across countries. Both Bangladesh and Nepal have a national-level university that affiliates a majority of colleges. Not only academic

arrangements, even funding and administration is through this affiliating university. Both in India and Pakistan, there are many affiliating universities. In India, there are as many as 120. The funding and administration of the affiliated colleges is mainly the responsibility of the provincial governments. Though, in India there are some colleges mainly in the national capital of Delhi that are funded by the National Government through the UGC.

The college system is seen as the weakest link in the higher education system. Since the provincial governments are responsible for the recurrent grants, there is dual control of the affiliating universities and the provisional governments over the colleges. The colleges form the major part of the higher education system and enrol significant numbers of students, yet priority is not usually given to improve the quality of education in colleges. The quality of colleges' education is on average is very low. They have poorly trained teachers, inadequate laboratories, library and computer facilities and small budgets. The quality of college curriculum is the responsibility of the university with which they are affiliated. The oversight of the universities is limited to approve new programme and carrying out examination with little or no emphasis on improving the quality teaching, infrastructure or student learning (Singh, 2004; World Bank, Agarwal, 2007).

Colleges are often ignored or get slipshod treatment is meted out by the fact that enrolment in colleges is not even considered part of higher education enrolment in Pakistan, Bangladesh and Nepal. Data on the number of colleges and their state of affairs is sketchy. This study compiles data on college system and integrates it with university level data to achieve greater clarity on higher education systems in these countries. National funding agencies are primarily responsible for funding universities and its constituent units and provide no funds to the colleges. Even in India, colleges get very little support from the UGC and no recurrent support (with minor exception) at all. The fact that the universities cannot be ring-fenced and insulated from their natural partners – the colleges is often ignored in the public policy debate on higher education in these countries. It needs to be realised that the quality of education in colleges has a major impact on the quality of students at the higher level and that needs adequate attention.

**Common academic structure**

In the countries of South Asia, higher education covers all post-secondary education beyond class 12 in different subject areas including all professional streams such as engineering and technology, medical, agriculture etc. Traditionally, education at class 11 and 12 was imparted in the universities and colleges in India, Pakistan Bangladesh, and Nepal. While this has been discontinued in most places, but in Nepal, there is large enrolment at class 11 and 12 (PCL) in the universities and colleges. In any case, education at the level of 11 and 12 is outside the scope of this study.

Higher education in countries of South Asia comprises three levels of qualifications - Bachelor's or undergraduate degree programmes, Master's or post graduate degree programmes and the pre-doctoral and doctoral programmes [Master of Philosophy (M.Phil.) and Doctor of Philosophy (Ph.D.)]. Normally a bachelor's

programme requires three years of education after twelve years of school education. In some places honours and special courses are also available. These are not necessarily longer in duration but indicate a greater depth of study. The bachelor's degree in professional field of study in agriculture, dentistry, engineering, pharmacy, technology and veterinary medicine generally takes four years, while for architecture and medicine, a bachelor's degree takes five and five and a half years respectively. There are other bachelor's degrees in education, journalism and librarianship that are treated as second degrees. A bachelor's degree in law can either be taken as an integrated degree programme lasting five years or a three-year programme as a second degree.

The master's degree is normally of two-year duration. It could be based on course work without a thesis or on research with a thesis. M.Phil. degree is a pre-doctoral programme taken after completion of the master's degree. This can be either completely research based or can include course work. A Ph.D. degree is awarded two years after the M. Phil. degree or three years after the Master's degree. The students are expected to write a substantial thesis based on original research for the award of a Ph.D. degree.

## Enrolment expansion

Higher education enrolment in South Asian countries is low. Other than India, gross enrolment ratios (GER) are lower than the average of low-income countries at 9 percent of the eligible age group (17-23 years) and much lower than lower-middle income countries (at 22 percent). As noted in table 11 below, the GER in these countries was merely between 1 to 2 percent in the year 1970. Even in India, GER was less than 5 percent. Enrolments have improved over the past three decades, accelerating over the past decade.

**Table 11: Trends in Gross Enrolment Rate in Higher Education**

| | 1970 | 1975 | 1980 | 1985 | 1990 | 1995 | 2000 | 2005 |
|---|---|---|---|---|---|---|---|---|
| India | 4.9 | 5.1 | 5.2 | 6.0 | 6.2 | 6.6 | 10.2 | 11.4 |
| Pakistan | 1.8 | 1.7 | .. | 2.5 | 3.5 | 3.4 | .. | 4.6 |
| Bangladesh | 1.9 | 2.3 | 2.8 | 5.1 | 4.1 | 5.5 | 5.8 | 6.5 |
| Afghanistan | 0.6 | 1.0 | .. | .. | 2.0 | 1.7 | .. | 1.5 |
| Sri Lanka | 1.1 | 1.2 | 2.7 | 3.7 | 4.7 | 5.1 | .. | 7.0 |
| Nepal | .. | 1.9 | 2.7 | 4.4 | 5.2 | 4.4 | 4.1 | 6.0 |
| Bhutan | .. | .. | .. | .. | .. | .. | .. | 2.2 |
| Maldives | .. | .. | .. | .. | .. | .. | .. | 5.5 |

**Source:** Compiled from Table and www.worldbank.org/education/edstats (retrieved on 25 February 2008)

The region with an enrolment ratio of about 11 percent is still an elite higher education system. As per Economist Martin Trow, who classified higher education systems worldwide according to their enrolments; an elite higher education shapes the mind and character of the ruling class and prepares students for broad elite roles in government and society (Trow, 1973). There is large heterogeneity in the structure of economy and society in the countries of the region. Access to higher education is extremely limited in the large (almost three-fourth) agrarian society and economy; only the elite have access. However, for the growing middle class settled primarily in urban areas, there are far more opportunities for higher education. Higher education options

have expanded over the years democratising it. Higher education is no more restricted to the elite. In absolute terms, overall enrolment in India is huge – the third largest in the world. Thus, in many ways, India and to some extent Bangladesh already have mass higher education systems due to large numbers involved and considering structure of economy and society.

Table 11 gives enrolment data in absolute numbers and shows its growth over the past decade or so. It is seen that Indian higher education with a large base has grown the fastest. The growth has been slower in other countries and in fact negative in case of Sri Lanka. Overall, enrolment has more than doubled from 6.8 million in early / mid-nineties to 12.9 million in the year 2003/04. Data on enrolment for Bhutan and Maldives is not maintained by UNESCO. Annual average growth rate (AAGR) for the region at 9 percent is primarily due to rapid growth in India.

**Table 12: Enrolment Growth in Higher Education**

| Country | Year | Enrolment | Year | Enrolment | Ratio | AAGR |
|---|---|---|---|---|---|---|
| **India** | 2003 | 11,295,041 | 1995 | 4,932,669 | 2.2898 | 10.91 |
| **Pakistan** | 2004 | 520,666 | 1986 | 267,742 | 1.9447 | 3.76 |
| **Bangladesh** | 2003 | 877,335 | 1990 | 434,309 | 2.0201 | 5.56 |
| **Afghanistan** | 2004 | 27,648 | 1990 | 24,333 | 1.1362 | 0.92 |
| **Sri Lanka** | 2003 | 48,061 | 1994 | 80,704 | 0.5955 | -5.6 |
| **Nepal** | 2004 | 147,123 | 1994 | 98,731 | 1.4901 | 4.07 |
| **Total** | | **12,915,874** | | **5,838,488** | **2.3698** | **9.01** |

**Source:** UNESCO Institute for Statistics Quoted from Statistical Appendix, GUNI (2007)

Data in table 12 above compiled by the UNESCO Institute of Statistics has several gaps. These gaps are due to differences in yardsticks used by various countries. Based on country studies, latest data on higher education enrolment using by and large a common yardstick is given in Table 12 below. This includes enrolment in universities, colleges, public and private sector and also distance education programmes beyond class 12. It dose not include enrolment in class 11 and 12, where it is still part of university and colleges like in Nepal or external registrations as in Sri Lanka. It also does not include enrolment in the non-formal sector or private training sector. Information on affiliated colleges that form a significant part of the higher education system is partial, inconsistent and scattered in the countries of the region.

**Table 13: Current Enrolment in Higher Education**

| Country | Year | Enrolment | GER | % Female | Source / Remarks |
|---|---|---|---|---|---|
| **India** | 2005 | 12,820,000 | 11.4 | 40 | Selected Education Statistics, Govt. of India, Projections based Census and NSS data give much higher enrolment figures |
| **Pakistan** | 2006 | 847,466 | 3.8 | 34 | World Bank – Country Summary of Higher Education. This includes enrolment in colleges |
| **Bangladesh** | 2007 | 1,130,825 | 6.5 | 35.5 | World Bank Country Summary of Higher Education |

| | | | | | |
|---|---|---|---|---|---|
| **Afghanistan** | 2007 | 42,000 | 1.5 | 20 | Ministry of Higher Education (Afghanistan) |
| **Sri Lanka** | 2006 | 134,288 | 7.0 | 45 | UGC Sri Lanka Website |
| **Nepal** | 2006 | 254,856 | 6.0 | 35 | Ministry of Education and Sports and UGC Annual Report 2005/06 |
| **Bhutan** | 2007 | 4,190 | 2.2 | 33 | Royal University of Bhutan Website |
| **Maldives** | 2005 | 4,600 | 10.5 | 50 | Enrolment in courses with duration more than one academic year |
| **Total** | | **15,238,225** | **11.0** | **37** | |

**Source:** UNESCO Institute for Statistics Quoted from Statistical Appendix, GUNI (2007)

It is seen from table 13 above that there are significant gaps in datasets maintained by the UNESCO Institute of Statistics. This data is grossly understated for Pakistan, Bangladesh, Nepal and Sri Lanka. Female enrolment ratio at 37 percent on an average and lower in Afghanistan, Pakistan, and Nepal is a matter of concern. With more women participation in workforce particularly in the services sector, special thrust is needed to encourage female enrolment in higher education.

Higher education provides people with skills and competencies required to discharge a wide range of technical and economic roles. Such roles would obviously depend on the nature of country's economy and use of technology in it. It is obvious that economies that have large share of their labour force in the agriculture sector tend to have less participation in higher education. Lower middle income countries – China, Brazil, Philippines, and Indonesia all have large share of their labour in agriculture sector and thus less higher education enrolment. Usually countries with higher skilled labour force tend to have more enrolment. Across a range of countries, GER are seen to be roughly twice the share of skilled labour in the total labour force. Structure of economy of South Asian countries with large population in the unorganized and the agriculture sector not requiring higher education qualifications at this stage pushes down the enrolment ratio to a low level.

Apart from differences in GER, it is interesting to note that whereas in the high income countries enrolments are growing slowly, for middle and low income countries enrolments are rising rapidly. Most significant increase has been in China and Malaysia. Enrolment in India has also more than doubled in the 15 year period from 1990 to 2005. Global pattern of changing higher education enrolments show that most of the increase will happen in the developing world. While the student enrolment will expand only modestly in advanced (OECD) countries rising from 46 million to 51 million in 2025; in non-OECD countries, the enrolments will rise from 69 million to 255 million. On a proportionate basis, higher education enrolment in South Asia will increase from 15 million now to over 50 million in 2025 and will roughly be same as in all OECD countries together.

There are concerns that despite ongoing progress and clear commitment to education in all countries of South Asia, no country (other than Maldives) is currently upgrading the skills of its population at a speed that will allow it to catch up with East Asia and the rest of the world over the medium term. There are indications that the gaps relative to some East Asian competitor countries may be widening rather than closing.

Some progress is beginning to be seen in primary and now secondary education. According to the World Bank, the challenge now is to repeat this achievement at levels beyond primary education (World Bank, 2007).

In the context of enrolment expansion, it has to be realized that though more and better higher education is usually a policy objective but there is no magic figure of 15, 20 or even 50 percent that a country could aspire to achieve. Higher education enrolment needs to be in sync with the absorptive capacity of the economy. While some oversupply of qualified people would help the economy on higher productivity growth path, a large mismatch could result in an acute problem of unemployment and underemployment. Considering the above realties, fixing enrolment targets is usually an exercise in futility. Expansion of higher education has to keep rhythm with the developments in society and economy. Fixing an enrolment target is meaningless for yet another reason. Experience over the past two decades suggests that private institutions have been the main venue of growth of higher education in all countries of South Asia; public investment has added very little new capacity. Private higher education in any case would expand if there is an unmet demand. Rather than numbers, quality is often the issue here. At the same time, continued support is required for public system to sustain quality.

## Financing arrangements

Against a global average of 4.2 percent of GDP spent on education, countries in South Asia (Other than very small countries Bhutan and Maldives) spend low and very low proportion of their GDP on education as noted in table 14 below. Higher education spending as a proportion of overall public-spending and public spending on education is also low. Comparing public expenditure on higher education as a percentage of gross domestic product (GDP) is not a good measure. While comparing the public expenditure on higher education described as percentage of gross domestic product (GDP), it is seen that there are few differences between the developed and the developing countries. The differences in the level of GDP and also different participation rates in higher education mask the relative efforts of different countries towards higher education. Both the developed Scandinavian countries and poor African countries like Lesotho and Barbados spend a high percentage of their GDP on higher education.

**Table 14: Public Expenditure on Education / Higher Education**

| Country (Year) | Expenditure on education as % of GDP | Expenditure on higher education as % of GDP | Expenditure on education as % of public expenditure | Expenditure on higher education as % of education expenditure | Govt. Spending per student as % of per capita GDP |
|---|---|---|---|---|---|
| **India** (2005-06) | 3.80 | 0.70 | 12.76 | 18.42 | 94.7 |
| **Pakistan** (2005-06) | 1.84 | 0.29 | 10.90 | 15.70 | 128.0 |
| **Bangladesh** (2005-06) | 2.30 | 0.75 | 13.46 | 5.52 | 49.5 |
| **Sri Lanka** (2005) | 3.10 | 0.50 | 17.30 | 16.12 | 84.2 |
| **Nepal** (2005-06) | 3.81 | 0.40 | 16.80 | 10.50 | 71.1 |
| **Bhutan** (2000) | 5.60 | .. | .. | .. | 574.0 |
| **Maldives** | 7.10 | .. | 15.00 | .. | .. |

**Source:** Compiled by the Author from various sources including UNESCO Global Education Digest 2007

A better measure is to use an indicator that factors in both student enrolment and how higher education spending relates to the overall economy. Thus, government expenditure on higher education per student as a percentage of GDP per capita is often used for international comparison. Usually, it is less than 50 percent for developed countries, while for developing countries it is generally more than 50 percent; in some cases it might even exceed 100 percent. As seen from Table above, for countries in South Asia, this ratio is high or very high except in case of Bangladesh.

This ratio is 26 percent in US, 31 percent in the UK, 17 percent in Japan and merely 5 percent in Korea. Despite the relative effort of the governments of Korea and Japan on higher education being small; these countries have already achieved universal higher education. In these countries, there is a sizeable private higher education and large part of higher education spending comes from private sources, mainly from the households. The USA is a unique case, where despite two-third of all expenditure being met from private sources; the government spends a huge amount on higher education (Usher, 2006).

Thus, accounting for only public expenditure on higher education misses out on an important and growing component of higher education spending that is the private spending. In many cases, private contributions as tuition fees in public or government dependent private and independent private institutions are significant. It is seen that 84 percent in Korea and 57 percent in Japan of all expenditure on higher education comes from private sources. In India, as per the analysis done by Agarwal (2006) nearly 50 percent of the higher education expenditure comes from private sources. This is in fact more than many of the developed nations. For instance, only around 29 per cent of the funding for higher education in UK, around 14 per cent in France and less than 10 percent in Germany comes from private sources. Estimates of expenditure from private sources in other South Asian countries are not available, but it would be safe to guess that these would also be significant, particularly if one looks at the large and growing independent private sector in these countries.

Jong Bloed (2004) notes that the countries such as the United States, Korea, Canada, and New Zealand that have been able to channelise a higher percentage of GDP into higher education raise substantial share of funding from alternate sources. These alternate sources are mainly students' contribution or private sources. Heavy reliance on private contributions is often an indication that some students are denied access to education because they are unable to pay for it. This calls for measures to put in place well-funded financial aid arrangement for the poor.

Tuition fee policies are therefore critical to analyse financing arrangements. In some countries, the state sets tuition fees for public and private institutions. In others, fees are regulated for the public institutions and not the private sector. In South Asian countries, the situation is somewhat complex. Fee level in public institutions is autonomously determined by them. For private institutions, in India fee levels are regulated by the government in independent private colleges and not for private

universities. In other South Asian countries, there appear to be no restriction on fee level in private institutions.

Even when the fees are determined by the public institutions themselves, government funding influences the fee levels. Most public universities and colleges in South Asia either charge no tuition fee or charge little. With little or no cost recovery, public higher education is almost entirely financed by the government. There are limitations in increasing government funding due to inadequate resources and competing demands. Thus, financing is a bottleneck both for expanding enrolment and maintaining standards. While it may be possible to provide one time grant to establish new institutions or upgrade existing institutions, it is increasingly difficult to provide grants year after year to take care of genuine recurrent costs adequately. In countries of South Asia, while a majority of public higher education is heavily subsidized, private higher education is expensive. Highly competitive entry to low-tuition public institutions has spawned a huge coaching industry, access to which is restricted to disadvantaged students. Thus, tuition fee policies have exacerbated inequalities.

A key issue therefore is to devise sustainable tuition fees policy. In this regard, it would be instructive to draw lesson from experience of Japan, where the public sector did not have tuition-free policy but controlled the tuition charges and fees at costs below of those of the private sector. Thus there is level playing field between the public and private sector that competed for students' enrolment. Overtime, the private institutions began to respond to market forces by controlling the rise of tuition charges. Consequently, gap between the two sectors gradually faded away (Arimoto, 1997). Such a mechanism would be useful. Currently the difference between the tuition fees between the public and private institutions in countries of South Asia is so large that simple market mechanism is unlikely to put pressure on the private sector to lower their fees. It is only by gradually increasing fees for students for public institutions that private institutions would respond by lowering their fees. This would slowly equalize the disparity between the two making it possible to prevent further widening of differences between students according to their socio-economic backgrounds.

**Privatization trends**

South Asia has a long-tradition of private education at all levels. Education opportunities expanded largely due to private initiatives under the colonial governments. However, when countries became independent, there was a move towards nationalization of these institutions. The responsibility for running such private institutions came onto the government. Recurrent costs, particularly teachers' salaries were paid through government grant. These were referred to as private aided institutions or government dependent private institutions. Thus, distinction between private and public higher education in South Asia blurred.

Difference between a public and a private institution is usually seen along two dimensions – ownership and financing. *Figure 1* below shows four possible types of public and private institutions along the ownership and financing dimensions. If the

government promotes and sets up an institution, it is referred to as a public institution. On the other hand, an institution promoted and set up by a private promoter is referred to as a private institution. The word 'private' is used interchangeably with 'non-government', and the word 'public' with 'government'. The institutions in the other two quadrants, those that are set by the government and are now able to generate resources to meet all their recurrent costs and those that were set up by private promoters but now depend on government for recurrent grants are also usually referred to government institutions. Thus private institutions are those set by the private sector and also run by it.

**Figure 1: Typology of Public and Private Institutions**

| | | **Ownership** | |
|---|---|---|---|
| | | **Public** | **Private** |
| **Financing** | **Public** | Government institutions | Government dependent private (or private-aided) institutions |
| | **Private** | Government independent institutions | Private institutions |

There is a significant private share in enrolment at all levels in the South Asia region, though there is wide variation in private share by levels and across countries as seen in table 15. It is very large at all levels in Bangladesh and large in India, significant in case of Pakistan and Nepal, it very low in Sri Lanka and non-existent in Bhutan. It is emerging in Maldives and Afghanistan. Private share in Bangladesh is almost double that of average of all low-income countries. It is no coincidence that broadly speaking wherever private share is large, overall enrolment levels are also high at all levels. Therefore, contribution of private sector in enhancing access is beyond doubt significant.

**Table 15: Private share in education: Different levels, 2005**

| **Country** | **Primary** | | **Secondary** | | **Higher** | |
|---|---|---|---|---|---|---|
| | ***Enrolment*** | ***Private share*** | ***Enrolment*** | ***Private share*** | ***Enrolment*** | ***Private share*** |
| India | 119.2 | 17.0 | 56.6 | 41.9 | 11.4 | 30.0 |
| Pakistan | 87.3 | 35.8 | 26.9 | 25.0 | 4.6 | 8.0 |
| Bangladesh | 108.9 | 42.2 | 47.3 | 95.7 | 6.5 | 47.0 |
| Sri Lanka | 97.7 | 2.0 | 82.5 | 2.0 | 7.0 | 1.0 |
| Nepal | 113.3 | 15.2 | 45.7 | 26.7 | 5.6 | 40.0 |
| Afghanistan | 86.5 | .. | 16.2 | .. | 1.1 | .. |
| Maldives | 93.7 | 1.5 | 72.8 | 10.6 | 0.2 | .. |
| ***South Asia Region*** | ***112.8*** | ***19.4*** | ***51.1*** | ***48.0*** | ***9.7*** | **..** |
| ***Low Income*** | ***104.3*** | ***17.2*** | ***46.0*** | ***41.0*** | ***8.7*** | **..** |

**Source:** Global Education Digest 2007

Higher education expansion in all countries of South Asia over the past few decades has been led by the public sector with private sector coming in during the 1980s and 1990s. Initially, there has been hostility towards private provision for higher

education. Now, countries in the South Asia like other Asian countries are more tolerant of private sector initiatives unless that goes against public goals. Though, unlike Japan, South Korea, Taiwan and the Philippines, where private sector accommodates over three-quarters of higher education demand, countries in South Asia see development of private sector as complementary to the public growth. Private expansion has moved from private-peripheral to private complementary type and now on way to private dominant type in Bangladesh, India, Pakistan and Nepal. Origin and growth trends of private higher education and type of participation in countries of South Asia are given in table 16 below.

**Table 16: Growth trends in Higher Education**

| Country | Origin and growth trends | Type of private participation |
|---|---|---|
| **India** | First private deemed university (MAHE, now Manipal University) allowed in 1980, first private university through provincial legislation allowed in 2004, private self-financing colleges allowed since early 1980s. | Private-complementary; in some subject areas, private dominant-type |
| **Pakistan** | First private university Aga Khan University set up in 1983; Now 36 private universities and 18 private degree awarding institutions; about 700 colleges; | Private-complementary |
| **Bangladesh** | 28 public universities, 54 private universities and one National University affiliating around 1400 colleges (mostly private colleges) ; Private University Act enacted in 1992 | private dominant-type |
| **Afghanistan** | A private university – American University of Afghanistan is proposed to be set up; A private company with interest in construction interested in setting up private university with Indian partnership | Under reconstruction |
| **Sri Lanka** | Institute of Technological Studies with degree granting powers set up in 1988 | Exclusive state-run with few private institutions |
| **Nepal** | First private university Kathmandu University set up in 1992, but now gets govt. grants | Private peripheral |
| **Maldives** | # 68 private institutions offering short–term courses (non-degree) with 3000 students are registered with the govt. Tiny state-run higher education sector | complemented with private training sector |
| **Bhutan** | No private institution of higher education | Tiny state-run higher education sector |

Source: Compiled from country studies

Based on country studies, data on number of universities and colleges and enrolment in them with private share is given in table 17 below.

**Table 17: Institutions and Enrolment and Private Share (2005-2007)**

| Country | Total | | Private | | Private share |
|---|---|---|---|---|---|
| | Universities | Colleges | Universities | Colleges | |
| India | 380<br>(1531048) | 18064<br>(10246247) | 86<br>(12900) | 8070<br>(374000) | 44.2%<br>(32.8%) |
| Pakistan | 120<br>(321813) | 1135<br>(325993) | 56<br>(78934) | 358<br>(29161) | 32.9%<br>(16.7%) |
| Bangladesh | 82<br>(205066) | 1750<br>(646828) | 54<br>(88669) | 1366<br>(279580) | 77.5%<br>(43.22%) |
| Sri Lanka | 38<br>(111296) | Nil | 3<br>(1500) | Nil | 7.8%<br>(1.3%) |

| | | | | | |
|---|---|---|---|---|---|
| Nepal | 8 (69059) | 567 (184830) | * | 114 (22850) | 19.8% (9%) |
| Afghanistan | 19 (42000) | Nil | Nil | Nil | Nil |
| Maldives | 1 (4000) | 2 (600) | Nil | Not known (250) | Not known (5%) |
| Bhutan | 1 (4190) | Nil | Nil | Nil | Nil |

**Source:** Compiled by authors from different sources (Universities include degree granting institutions); Figure in bracket relate to enrolment.

Rather than public versus private debate, public policy now takes into account both public and private provision to meet growing demand for higher education in the countries of South Asia. There are several factors responsible for growth of private higher education in the region. These include a growing middle class; 'pull-factors' such as the more modern and job-oriented curriculum in private institutions; and 'push factors' such as the declining quality of public institutions, poor infrastructure, the lack of equipment, session jams, and concerns about growing politicization of public institutions of higher education.

Private higher education in South Asia like other parts of the world has been the main venue of expansion of higher education system over the past two decades. Common features of private HE in SAR is it is focussed on professional subjects, fee levels are high, private institutions are usually smaller in size. Like the bulk of higher education growth in recent times, private institutions in the region are secular, demand absorbing and commercial oriented.

Analysing the emergence of private providers in higher education, it is seen that the countries in East Asia and Latin America have high private share, even countries from the erstwhile communist block have significant private share. Emerging economies such as South Korea, Taiwan and Malaysia have rapidly increased enrolment in higher education through private participation. Only the countries in Europe, such as Germany, United Kingdom, and France low private share. Small Nordic countries like Finland have no private higher education at all. Higher share in terms of number of institutions than enrolment share for all countries suggest that private institutions are usually small in size. South Asia, particularly India, Bangladesh, Pakistan, and Nepal are now on path to rapid privatization of higher education. Level of private enrolment in these countries already exceeds a majority of the countries and trails behind just a few as per data collected by the Programme for Research in Higher Education (PROPHE) for 78 countries around the world.

Though there are some exceptions, for-profit private higher education is usually not allowed in the countries of South Asia. Notable exceptions are a few institutions of higher education set up under the companies act in Sri Lanka, huge franchisee networks for IT training in India and some for-profit institutions in Pakistan. A majority of the private provision is through family owned non-profit trusts and societies, though in actual terms these may be commercially-oriented. A positive feature of such growth has been ploughing back of a significant surplus into expansion and improvement of higher education by the non-profit entities, since these are not officially allowed to distribute

surplus to their promoters. It has developed in weak regulatory environment. Different policy environment

In terms of leveraging private sector growth to achieve universal higher education, experience of Korea is noteworthy. Korea has attained universal access in only three decades (an achievement that took many advanced countries more than half a century). Its rapid transition to universal higher education occurred immediately after, or simultaneously with the swift transition to universal secondary education. Privatization has made this unprecedented consecutive transition happen. 83 percent of the national budget for higher education comes from family funds, an unparalleled phenomenon unseen even in America, where the private sector institutions are visible. Around 80 percent students are currently at private universities and colleges in Korea (Umakoshi, 2004).

Role of the government is crucial in determining the pace and nature of private growth. While Bangladesh, Pakistan, and even Nepal have taken measures to enable, promote and even steer the private growth in India, it has just been allowed to happen in a policy vacuum in which the judiciary intervenes routinely to resolve inconsistencies in existing legislation creating further complications and a climate of uncertainty (Levy, 2006, Agarwal, 2007). Despite the common belief that private providers would like to operate in an unregulated market, a recent survey in India suggested that these providers prefer predictability and transparency in regulation to no regulation. There is a case for making the regulatory regime less burdensome, but more important is to ensure that it does not change with a change in government or at the whim of the Supreme Court and that it is uniformly applied to all.

Unlike, most other parts of the world, private growth in India has been mainly through partnerships between public universities with affiliating powers and private colleges. Growth professional education after the 1980s has been primarily through this route. Here the university brings in power, academic resources, and standing, the latter bringing in initial capital cost and tuition paying students. It is only recently that the private universities that are set up either by the provincial governments or deemed universities by the UGC have been allowed. Such developments have also been seen in South Africa and Russia in recent years. Private unaided colleges affiliated to public universities exist in Nepal, Pakistan and Bangladesh as well.

Experience in other countries has shown that the absence of regulation is not a precondition for growth in private higher education. In terms of regulation of private higher education, the example of Korea is worth noting. Korea has one of the highest gross enrolment ratios in higher education in the world, with more than 80% of it being in the private sector. With the higher education system dominated by the private sector, Korea faced difficulties in maintaining the quality and integrity of higher education, so the Korean government tightly regulated higher education. It was only in 1995, once this regulation had achieved its objectives that Korea moved towards liberalising the private higher education to make it more competitive. This two-step process towards liberalisation might be a reasonable approach in countries of South Asia as well (Kim, 2005, Agarwal, 2007).

Private higher education institutions are fully or almost fully tuition-dependent. State subsidies to them are rare. In India and Bangladesh, where a sizeable proportion of old private institutions are aided (as also in Belgium and Netherlands); it may not be fair to designate them as private institutions as noted above. As for the truly private institutions (those that are set up and run by the private sector), there is now a growing practice of state funding for targeted purposes on blind private-public basis. The United States and Brazil have a long experience of funding private institutions for research and graduate education and provide substantial financial aid to deserving students admitted to the accredited private institutions.

**Internationalization trends**

After tracking the evolution of the term internationalization in the context of higher education and making distinction with other words and phrases, such as globalization, transnational education etc., Jane Knight (2003:p2, 2006:p214) defined internationalization at the national / sector / institutional levels as "the process of integrating an international, intercultural or global dimension into the purpose, functions or delivery of post secondary education." Internationalization trends would thus cover wide range of changes – social/ cultural, political, economic and academic taking place at the national, sector and institutional levels in countries of South Asia. Since, it would have a very broad scope, the study confines to foreign provision of higher education in South Asia and student mobility within and from the region in the context of internationalization of higher education.

**Foreign providers**

As noted from the country reports, foreign providers in South Asia are still peripheral and sub-category of private institutions. Independent campuses are rare. In most cases, there is programme level coordination. While more aggressive foreign universities are salivating at the potential opportunity in the South Asian nations with large young population, increasing prosperity, rising aspirations, there is little positive experience of foreign universities campuses in South Asia region. There are however, numerous partnerships that the institutions of higher education particularly the private ones have entered into with foreign universities.

Observatory on Borderless Higher Education (OBHE) that tracked development of international branch campuses in June 2002 and updated it in October 2006 noted recoded two campuses in their 2002 report, but did not include them in the 2006 study. Sylvan Learning Inc (US) that set up its campus at Hyderabad (India) in 2003 had to close its operations within a year following problems with obtaining accreditation from the UGC (India). National University of Singapore (NUS) that planned its operations in India and China to offer students enrolled in Singapore the opportunity to gain international experience did not take off at all. This has been largely due to uncertain policy environment in India. Griffith College, Dublin (Ireland) is running its campus in Pakistan since 1999 offering Bachelor's programme in Business, accounting / finance and IT (Verbik, 2006).

Other than the Georgia Institute of Technology planning to set up its campus in Hyderabad, there are no firm plans of any of the super league universities to set up their

campus in South Asia. Harvard University Oxford University have both set up their research centres in India with a view to provide students enrolled in their home campuses exposure to the developments in India. There are several low prestige / unaccredited universities, such as the Newport University operating in Pakistan and the Western International University, a subsidiary of the Apollo group operating in India. In addition, there are innumerable numbers of partnerships of foreign universities with Indian institutions. These are primarily with the universities in the United Kingdom, Australia and the United States.

Interestingly, several institutions in South Asia have been setting up their operations in other countries. OBHE Study of 2006 records several such operations of Indian and even Pakistani institutions in UAE and Singapore. These were established primarily to cater to the large South Asian Diaspora in these countries. Table 18 lists branch campuses where an institution from South Asia is involved.

**Table 18: List of international branch campuses involving South Asia**

| Institution | Country | Branch Location | Year Opened | Funding Model | Level | Subject Offered |
|---|---|---|---|---|---|---|
| SP Jain Centre of Management (SPJCM) | India | Singapore | 2006 | Unclear | Master | Business |
| SP Jain Centre of Management (SPJCM) | India | UAE | 2005 | C | Master | Business |
| Manipal Academy of HE | India | UAE | 2003 | C | Bachelor and Master | Business, media/design, IT and interior design |
| Birla Institute of Technology and Science | India | UAE | 2000 | C | Bachelor | Engineering |
| Mahatma Gandhi University | India | UAE | 2001 | C | Bachelor/ Masters | Business, IT and tourism |
| Aga Khan U | Pakistan | Kenya | 2003 | B | Diploma/ Bachelor | Health services |
| Shaheed Zulfikar Ali Bhutto Institute of Science and Technology | Pakistan | UAE | 2003 | C | Bachelor and Master | Business and IT |

***Source:*** Line Verbik, OBHE Report October 2006

## Growing Student mobility

In 1985, Altbach and Lulat (1985, p.50) had observed that increase in number of international students would inevitably level off and increase in fees by the advanced host nations would have a negative impact. Contrary to this, the number of globally mobile students is on the increase. Bohm et.al. (2004) have predicted that 5.8 million students would be studying abroad by 2020, up from the current 2 million. Higher education is seen as a big business opportunity. Estimated at US$2 trillion in 1999, it is second only to health care. Countries around the world see big trade potential and huge investment opportunities in this sector. Future projections in enrolment suggest that such opportunities may actually be available.

It is expected that a significant portion of this demand will be met through cross-border provision, mainly through an increased mobility of students across borders. It is seen that cross-border trade in higher education is large and growing. OECD estimated this to be more than US$30 billion per annum in the year 2000. The United States is the biggest exporter of educational services followed by the United Kingdom, Australia, Italy and Canada. Though, number of globally mobile students has increased rapidly over the years, data on them is being collected and analyzed only in recent years. Data on student mobility is not only notoriously difficult to collect but is also confusingly presented. Data in this section has to be viewed in this perspective. A large number of students travel outside their home countries in the region to receive higher education.

In the backdrop of the above, it is therefore not surprising that while the domestic system of higher education has expanded in all countries of South Asia and study abroad has become more expensive, the number of students from the region studying has been consistently on the rise. This is consistent with the findings from a recent study that suggests that student migration is strongly affected by the promise of wage opportunities, not constraints in the domestic educational capacity of the source countries. Students from today's low-wage, source countries appear to seek schooling in high-wage countries as a means of "augmenting their chances of obtaining a high-wage job" in advanced nations. In fact, increasing educational capacity prepares more students to seek education abroad (Rosenzweig, 2006).

Table 19 below gives data on mobility of students from this region. From the data, it is clear that while South Asia region plays host to very small number of internationally mobile, it sends a large number of students to other countries. Outward mobility is large and growing rapidly and the inward mobility continues to be small. United States hosts a large number of students from this region, but is being gradually replaced by Australia and the United Kingdom.

**Table 19: Outward and Inward Mobility (2004 / 2005)**

| Country | Students studying abroad | | | Outward mobility Ratio | Gross Outward enrolment ratio | Inward mobility |
|---|---|---|---|---|---|---|
| | 2004 | 2005 | % change | | | |
| **India** | 123,559 | 139,356 | + 12.8 | 1.2 | 0.1 | 7738 / 7589 |
| **Pakistan** | 18,639 | 21,172 | + 13.6 | 2.9 | 0.1 | 389 / 748 |
| **Bangladesh** | 13,156 | 14,513 | + 10.3 | 1.7 | 0.1 | 385 /389 |
| **Afghanistan** | 3,096 | 3,288 | + 6.2 | 10.8 | 0.1 | .. |
| **Sri Lanka** | 9,203 | 10,449 | + 13.6 | .. | 0.6 | .. |
| **Nepal** | 7,658 | 8,884 | + 16.0 | 5.3 | 0.3 | .. |
| **Bhutan** | 620 | 601 | - 3.1 | 15.0 | .. | .. |
| **Maldives** | 1,046 | 1,016 | - 2.9 | 33.0 | 0.3 | .. |
| ***Total*** | ***178,981*** | ***201,284*** | ***+ 12.5*** | **..** | **..** | **..** |

Source: UNESCO Global Education Digest 2006, 2007

With a view to examine global student mobility from the perspective of country of origin and country of study, UNESCO uses several indicators. *Outward mobility ratio* as a percentage of mobile students from a country to the total number of students in its higher education and *gross outward enrolment ratio* as the ratio of mobile students from

a country to population of higher education age group (17-23 years) are important from the perspective of a sending country. High outward mobility ratio in Bhutan, Afghanistan and Maldives suggest that their domestic higher education capacity is small and large proportion of their students study abroad. Though in absolute terms, number of students from India, Pakistan and Bangladesh is large, yet as a proportion of domestic capacity of higher education, this is small. India because of its huge population base and large higher education system has a low outbound mobility ratio and much lower inbound ratio. Both rates are below the global; average of 1.5 percent.

Table 20 gives outward mobility from South Asia to top-five host countries. Comparing it with data for the previous year, it is seen that there have several changes in the pattern of flows in the region. Number of students from Pakistan in the US decreased from 7325 in 2004 to 6576 in 2005. The numbers from Bangladesh also decreased, while Australia has become most popular destination of students from Bangladesh. There is a substantial increase in Bangladeshi students going to Malaysia. Australia is also the favourite destination for students from Sri Lanka. Australia has displaced the United States to become the most popular destination for Sri Lankan students. More Sri Lankan students now go to Malaysia than India.

**Table 20: Outward Mobility from South Asian Countries – Host Countries**

| Country | Top-five host countries |
|---|---|
| **India** | USA (84,044);Australia (22,039);UK (16,685); Germany (4,339);New Zealand (1,563) |
| **Pakistan** | USA (7,325); UK (6,547); Australia (1,545); Germany (1,262); Malaysia (1,159) |
| **Bangladesh** | Australia(3,606);USA (2,881);Malaysia (2,136);UK (1, 947);1633 Cyprus);Japan (958) |
| **Sri Lanka** | Australia (2,726); UK (2,419); USA (2,081); Japan (765); Malaysia (381) |
| **Nepal** | USA (5,077); Australia (727); India (681); UK (458) ; Japan (457) |
| **Afghanistan** | Iran (953), Germany (735), Turkey (230), Saudi Arabia (193), USA (162) |
| **Maldives** | Malaysia (562); Australia (227); UK (152); New Zealand (51); Saudi Arabia (25) |
| **Bhutan** | 227 (India); 118 (Australia); USA (73); Japan (56); Thailand (28) |

Source: UNESCO Global Education Digest 2007

The United States continues to be number one destination for Nepalese students, while Australia has displaced India to become the second most popular country for Nepalese students and India that traditionally attracted a large number of Nepalese students is at poor third spot and the number of Nepalese students in India has dropped marginally. Despite immediate neighbourhood, number of students from Maldives to India has been small has further decreased. Bhutan sends largest number of students to India, but their numbers has decreased from 227 in 2004 to 174 in 2005. Overall, there is small inward mobility in the countries of South Asia, while large outward mobility. Mobility within the region is small and decreasing as seen in table 21 below.

**Table 21: Inward Student Mobility from the Region to India**

*Region / Country-wise for the period 1988-89 to 2003-04* [↑ increase; ↓ decrease; ~ little variation]

| Country | 1988-89 | 1993-94 | 1998-99 | 2003-04 | Trend |
|---|---|---|---|---|---|
| **South Asia** | **1855** | **2329** | **1604** | **1585** | **~** |
| Afghanistan | 153 | 111 | 59 | 25 | ↓ |
| Bangladesh | 252 | 736 | 461 | 320 | ~ |

| | | | | | |
|---|---|---|---|---|---|
| Bhutan | 92 | 123 | 115 | 174 | ↑ |
| Nepal | 912 | 909 | 574 | 690 | ↓ |
| Sri Lanka | 430 | 420 | 368 | 355 | ~ |
| **Total** | **11844** | **13707** | **5323** | **7830** | ↓ |

Source: Association of Indian Universities (AIU)

India has been one of the most important sending countries. Second only to China, India alone sent more students abroad in 2005 than the total number of internationally mobile students in 1950 (107,500). Though, India is trying to increase its capacity to attract international students, with 7,738 students, it is still a small player. The country gets some students from other countries in the region; most students from the region go for higher education to the developed countries. Mobility of students (and also faculty) that was significant within the region is on the decline. Mobility of students within the region is small; many more students from the South Asian countries go to the countries in the other regions. Nepal sends the highest numbers of students for higher education to India. Other countries that send a significant number of students to the Indian Universities are Bangladesh and Sri Lanka. There are serious efforts to increase mobility within the region. Entry to a small number of quality institutions is highly competitive and the student from the region prefer to go to average (or even low quality) institutions in the advanced countries rather than going to another country in the region.

Of late, other than traditional host countries from the developed world, several countries in Asia are emerging as global magnets attracting large numbers of international students from the region. These countries have set ambitious recruitment targets: Malaysia seeks to attract 100,000 international students by 2010 (up from 45,000 in 2005); Jordan announced plans to increase the number of international students to 100,000 by 2020; Singapore set a target of attracting 150,000 foreign students by 2015; China seeks to host 300,000 by 2020; and Japan has reportedly set the ambitious goal of hosting one million foreign students by 2025 (up from the current 120,000) (Obst, 2008).

There are several push factors and pull factors or rationales for student mobility. The push factors are those that stimulate students to study abroad for their degree (outward mobility). The pull factors attract students to study abroad for their degree in the country under examination (inward mobility). In a recent study on changing dynamics in international student circulation, De Wit (2007) laid down an extensive framework that identifies educational, political / social/ cultural and economic factors. These have further summarized in four categories: mutual understanding (political, social, and cultural factors), revenue earning (economic factors), skill migration (economic factors) and capacity building (educational factors). In different contexts, one of these approaches is found to be dominant, but it has its limitations as seen in Table 22 below. Overall, student mobility is seen as win-win situation, except in case of revenue earning and skill migration approach where it is seen as revenue loss or brain drain for the country of origin.

**Table 22: Context specific approach, its limitations**

| Approach | Context | Limitations | Host country | Country of origin |
|---|---|---|---|---|
| Mutual understanding | Foreign policy perspective | Takes a very broad view | Win | Win |
| Revenue earning | GATS Negotiations | Takes a myopic view of student flows | Win | Lose |
| Skill migration | Migration of highly skilled persons | Looks at students as potential migrants and views that as brain drain | Win | Lose |
| Capacity building | Development aid | Assumes that all students return home after education abroad | Win | Win |

**Source:** Author [based on literature review and data on student flows]

Within South Asia, it would not be advisable to look at student mobility merely in terms of trade. There is still a strong element of mutual understanding and capacity building approach to student mobility in the region.

International student migration is now seen in the context of talent flows. It is seen that students who study abroad have strong likelihood to remain in the country in which they study. While some of them settle there on permanent basis, but many tend to be temporary settlers and benefit from the opportunities that the host country's economy offers them with their new higher qualifications. This has resulted in rapid growth in inward remittance flows to several developing countries.

**Table 23: Extent of Brain Drain in South Asia**

| Country | Emigration rate of tertiary educated | Emigration of physicians | |
|---|---|---|---|
| | | Numbers | As % of physicians trained in country |
| India | 4.2 | 20,315 | 3.8 |
| Pakistan | 9.2 | 4,359 | 5.0 |
| Bangladesh | 4.7 | 702 | 2.5 |
| Sri Lanka | 27.5 | 1,663 | 17.4 |
| Nepal | 2.7 | 19 | 1.6 |
| Afghanistan | 13.2 | 445 | 9.1 |
| Maldives | 2.2 | 3 | 1.2 |
| Bhutan | 1.2 | 3 | 7.4 |
| **South Asia** | **..** | **27,508** | **4.1** |

**Source:** World Bank Migration and Remittances Fact book 2008

Besides, there is also apprehension of brain drain as a result of this outward mobility of students. A significant proportion of students who go for postgraduate and doctoral studies abroad pass out from the more reputed institutions at home and many do not return.

Professional and student mobility is often seen as brain drain or brain gain. It has also political, social and cultural dimensions. In most cases, requiring people to move across borders even temporarily for higher education has vital security dimension. Considering this, right incentives to embark upon complex negotiations for recognition agreements do not exist. Many countries (including India) also face problem of coordination. Growing professional and student mobility would however create pressure for more solutions to recognition to be found.

**Key trends and concerns**

Despite recent expansion of higher education in all countries of the region, the participation levels continue to be one of the lowest in the world. As a percentage of the GDP, the countries of the region spend a reasonable amount of public funds on higher education. Large relative effort measured as a percentage of public spending per student to the GDP per capita shows that scope of very large increases in outlays for higher education in the face competing demands may be limited. As a result, private higher education has been allowed to grow in the countries of the region. Though, the attitudes towards private growth and manner it has happened vary across countries, but its overall implication in terms of enhancing access, improving relevance, compromising on equity and quality and raising new issues of regulation are common. Overall, key areas of concerns relating to higher education in the region have been tabulated below. Please see table 24 below.

**Table 24: Key Concerns**

| | |
|---|---|
| **Access** | Access is limited with gross enrolment ratio ranging from ---- to ----<br>Girls enrolment is proportionately less |
| **Equity** | Higher education participation from amongst lower strata is low. Current expansion primarily in the private sector would further restrict access to higher education for poor people |
| **Quality** | Barring a few public and fewer private institutions, higher education provision is of low quality. Difficulty in recruiting and retaining quality faculty. Except India, quality assurance system has either been set up recently or does not exist. Even in India, its impact is rather limited. |
| **Relevance** | Overall enrolment and its expansion in public institutions mainly in liberal arts and humanities producing graduates with employable skills; Weak linkages between higher education and industry and lack of information on graduate employment |
| **Financing** | Low levels of public funding and its skewed allocation with most of it going for salaries leading to inadequate funding for equipment, computers, books , journals and building maintenance |
| **Governance** | Overall weak governance structure with lack of accountability of higher education institutions. Heavy politicization of university authorities. Inefficient internal governance with poor quality of administrative staff |
| **Use of new technologies** | Poor ICT infrastructure and hence limited access to global knowledge resources |

In the last decade or so, all countries in South Asia (like the countries in Latin America and East Asia) have seen a clear trend in terms of entry of new types of institutions that are privately owned and funded largely out of tuition fees. This has given rise to new challenges in terms of the fee and admission regulations and maintaining the

academic standards in them. Countries in this region have adopted a somewhat ambivalent stand towards this growth. They have all been struggling to come to terms with the new realities.

Both public and private higher education is expected to grow in all countries of South Asia. Though the relative growth would vary across the countries, yet, private growth would in all cases be far more rapid. Accelerated private growth would be due to increasing numbers of students who are now willing to pay towards the cost of their higher education provided they can enrol in institutions that offer good quality education and more relevant to the labour market needs. Managing public-private mix and devising policies that ensure healthy growth of both the public and private sector would be challenge.

Standards of public higher education institutions have deteriorated due to stifling control, inadequate funding and continuous politicization of the system. Policies to strengthen the public sector institutions both in terms of funding and governance are required to prevent their marginalization with rapid private growth. According to Agarwal (2008), the current system of accountability of public institutions is long and cumbersome. With purpose of higher education only ambiguously defined and quality difficult to measure, they often cover themselves with fig-leaf of autonomy wherever asked to deliver. Heavily unionized academic community – a powerful political constituency, is divorced from the reality and resists change. Poorly financed and having teachers with low motivation levels, the standards of public institutions are deteriorating rapidly. Unfortunately, more money only addresses part of the problem.

Private growth is also the key to fine-tuning stream mix. In all countries of South Asia, largest share of enrolment is in the general areas of studies (including arts, social studies and languages) and as per growth pattern would continue to be so. This pattern of growth does not align with the new vision of higher education. If the higher education system in the region is to play an active role in the modernization of economy, it must align to the evolving labour market needs. Faced with no competition, public institutions are not likely to change, unless instrument financing formula is used to implement these changes. Private growth that is likely in vocationally subjects would help in fine-tuning the stream mix.

A sustainable funding arrangement would be have to public-private blind government funding arrangements. Though, tried in a small measure, increasing its scope would enable competition to set in and would ensure that public institutions come out of their slumber. Some people advocate total deregulation of the private sector, yet most people have serious apprehensions. There are concerns about the rising cost of private higher education. Fee caps, wherever applied are not effective in controlling fees in a situation, where parents are willing to pay and private institutions willing to accept fees beyond the ceilings. In such a situation, setting tuition fee below the cost in public institutions would force the private institutions to lower their fees. This requires continuous presence of a significant public sector with reasonable tuition fee policies.

High outward student mobility continues to be seen as a matter of serious concern. This is partly seen as brain and partly revenue loss. In a globalising world and

South Asian economies rapidly integrating with the rest of world, such a limited view of student mobility would be flawed. While student and graduate flows may be a concern for the time for Sri Lanka and Afghanistan that have small systems of higher education, for other countries with huge population and large system of higher education, this is to be seen as an opportunity. There may also be concerns about outward mobility of physicians since medical education facilities are grossly inadequate in the countries of South Asia. Students moving for entry into labour markets abroad with intent to migrate, temporary or permanent, the academic gate approach is now a key capturing larger share of high-value jobs globally.

Such talent pool of people from the countries of the region is seen to have brought significant benefits to the country of origin. Recent trends in reverse talent flows to India suggest that such a talent pool can accelerate the pace of growth during upswings. There is also a misconceived notion that as the domestic capacity for higher education increases, less people would go abroad for studies. While, this may change the motive for study abroad and the profile of international students from the region, but as the trend show the student mobility is only bound to increase in the years to come.

Under the circumstances, preventing students to go abroad for study my neither be desirable nor a good strategy. None of the countries in South Asia would perhaps like to behave like Belarus – a small landlocked country with state controlled economy known for antidemocratic policies. Belarus government does not issue exit visas to students wanting to study abroad. The Belarusian leader, Alexander Lukashenka says that such study "poisons the mind". Instead, governments need to adopt pragmatic admission and tuition policies that are able to retain fee paying and bright students.

Foreign institutions are still peripheral and sub-category of private institutions in South Asia. Independent campuses of foreign universities are rare. In most cases, there is programme level collaboration. While several second-tier foreign universities are salivating at the potential opportunity in the South Asian nations with its large young population, increasing prosperity, and rising aspirations, but the regulatory environment continues to be confusing. As a result, only very aggressive foreign players with sloppy ethical standards can venture now. Pro-active policies to attract quality foreign providers are required.

Overall, there is a lot of interest in the higher education sector. Funding levels have improved. Private sector is growing. Accreditation system is being put in place or streamlined where it exists. Higher education reform is central to economic reform agenda, though the nature and scope of reforms varies across countries. Pakistan has embarked upon a strong higher education reform agenda steered by its new Higher Education Commission (HEC). Informed by comprehensive study by the Boston Group and the World Banks' assessment of the medium-term development framework, Pakistan appears to be taking the lead in reforming its higher education system in South Asia. Yet, the political instability is likely to be a major handicap. India's huge higher education is growing in chaotic manner government focus on inclusive expansion and the private sector moving ahead in fits and starts in the country's messy democracy.

## VII. GATS and Higher Education in SAR

Cross-border activities in higher education have been taking place for a long time; however, these have begun to be described in terms of commercial trade only recently. General Agreement on Trade in Services (GATS) identifies education as a service sector to be liberalized. Education service (ES) is one of the twelve sectors covered by GATS. ES itself is disaggregated into five sub-sectors: primary, secondary, higher, adult and others. Within the ES sector, since most of the cross-border activity takes place in higher education, liberalization to promote further trade is also focused on it. Like other services, trade in higher education services could occur in any of the four modes, namely – Mode 1: cross-border supply (program mobility), Mode 2: consumption abroad (student mobility), Mode 3: Commercial or physical presence (institution mobility) and Mode 4: Delivery abroad (academic mobility).

*Barriers*

Under the GATS framework, there is an underlying presumption about the existence of barriers that prevent trade. These barriers are either tariff or non-tariff barriers. Non-tariff barriers are important for trade in services. The nature and extent of these barriers differ from service to service, thus understanding of these barriers is crucial to negotiating strategy for a particular service. In the context of higher education, there could be direct restrictions in the form of immigration requirements and foreign currency controls for student mobility, and indirect barriers due to non-recognition of degree obtained abroad into national equivalent. Hence, need for mutual recognition agreements concerning standards for professional training, licensing and accreditation to make degrees across borders portable is critical to student mobility across national borders (WTO, 1998).

There is now a greater realization about the need for mutual recognition of qualification to promote trade in not only educational services, but also in a wide range of other services including professional services. Clauses relating to mutual recognition of qualifications often find mention in many multilateral, regional and bilateral agreements. Giving effect to such mutual recognition agreements is often not easy. The diversity of academic structures and variety of academic institutions, their recognition, accreditation and approval processes that exist in different countries makes the process of mutual recognition of qualifications very complicated. Considering this, lack of recognition of qualifications would continue to be the non-tariff barrier in liberalization of higher education services in the foreseeable future.

With respect to establishing commercial presence (Mode 3), potential barriers include the inability to obtain national licenses (e.g. to be recognized as a degree or certificate granting educational institution), measures limiting direct investment by foreign education providers (e.g. equity ceilings), nationality requirements, needs tests, restrictions on recruiting foreign teachers, and the existence of government monopolies and high subsidization of local institutions. With regard to the presence of natural persons, barriers include immigration requirements, nationality conditions, needs tests, and recognition of credentials (ibid).

*Negotiations*

Despite efforts, services negotiations have been stuck at low key under the GATS. Within the services, higher education has low priority. There is a lack of consensus and many misgivings about commitments in higher education. Many of these concerns are misplaced. The role and scope of liberalization under the GATS framework recognizes the right of the national governments to regulate and if necessary introduce new legislations to meet national policy objectives. Liberalization is a means of promoting growth and development by enhancing competition and not doing away with regulation. In higher education like in most other services sectors, most countries in their own national interests have gone for autonomous liberalization. The GATS negotiations merely bind this liberalization with a view to bring predictability in policy regime.

A scrutiny of the volume of trade in higher education services in financial terms suggests that these revenues are primarily from student mobility. Therefore most countries with export interest in higher education aggressively pursue policies to recruit fee paying students. Student mobility is mainly driven by students taking their own decisions about where to study and what to study and they usually pay for it. Most of the international students, particularly from South Asia are self-funded. Usually academic mobility is politically sensitive and commercially less significant. Most countries maintain restrictions on a horizontal basis (e.g., immigration rules that apply to all services sectors). Mobility of academic people is largely demand driven given the uniqueness of their skills. Program mobility mainly e-leaning is technologically driven and measures taken through government authority have limited impact. As a result, negotiations under GATS are of little implications overall except in case of institution-mobility (Agarwal, 2008:105).

Notwithstanding the above, there has been an intense public debate on negotiating positions in the higher education sector under the GATS. While many developing countries have autonomously liberalized market access to foreign providers in their national interest, there is widespread scepticism about the GATS regime in higher education. For instance, there is a perception that commitments under GATS would put an end to the public subsidies, with adverse consequences for the quality and affordability of higher education. It is therefore not surprising that ES is one of the least committed sectors though it was part of the GATS framework right from the very beginning.

South Asia is no exception to this worldwide trend. Only Sri Lanka had undertaken limited commitments in ES during the Uruguay Round. In the current round, India and Pakistan have offered to undertake commitments. Further, Nepal undertook commitments in education services during its accession negotiations and Bhutan is likely to undertake commitments. Bangladesh and the Maldives have not offered to make any commitments in higher education, though there are visible trends of international involvement of higher education in these countries. Table 25 below gives a country-wise summary of key elements of the offers and commitments and comments of the author for each country in the region.

**Table 25: Summary of Offers / Commitments: Key Elements and Comment**

| Country / offer details | Key elements | Comments |
|---|---|---|
| **India** made a revised offer for Higher Education (CPC 923) vide WTO Document No. TN/S/O/IND/Rev.1 dated 24 August, 2005. | • Under mode 1 in market access, condition that service providers would be subject to regulations, as applicable to domestic providers in the country of origin.<br>• No foreign equity cap for commercial presence but it is subject to condition that fees to be charged can be fixed by an appropriate authority and that such fees do not lead to charging capitation fees or to profiteering. Subject further to such regulations, already in place or to be prescribed by the appropriate authority. In the case of foreign investors having prior collaboration in that specific service sector in India, FIPB approval would be required. | • For commercial presence, fee caps discourage foreign investors;<br>• Motive for need for FIPB approval for foreign investor having prior collaboration in this sector is not understood.<br>• No mention of education services under mode 4 horizontal commitments, thus inward academic mobility not allowed, but opportunity to get foreign nationals to overcome faculty shortages. |
| **Pakistan** made offer for Higher Education Services (CPC 923) excluding public funded institutions, Adult Education (CPC 924), and Other education Services (CPC 929) vide WTO Document No TN/S/O/PAK dated 30 May 2005. | • Foreign equity cap of 60 percent for commercial presence;<br>• No national treatment with regard to subsidies<br>• Land and endowment requirement for private institutions to set up campus | • Foreign equity cap is restrictive<br>• Commitments, for inward academic mobility could help overcome faculty shortages. |
| **Nepal** made offer for Higher Education Services (CPC 923) excluding public funded institutions, Adult Education (CPC 924), and Other education Services (CPC 929) vide WTO Document No No. GATS/SC/139 dated 30 August 2004 | • Foreign equity cap of 51 percent and after April 2009 of 80 percent for commercial presence;<br>• Condition for incorporation in Nepal<br>• Foreign investment / reinvestment require approval of Department of Industry<br>• Mode 4 unbound for education services | • Foreign equity cap is restrictive<br>• Commitments for inward academic mobility could help overcome faculty shortages.<br>• Approval requirement may be unnecessary |
| **Bhutan** made offer for Higher education services; Higher Secondary education services (CPC 9222) and Post secondary technical and Vocational education (CPC 9231) vide WTO Document No. WT/ACC/SPEC/BTN/2/Rev.2 dated 30 April 2007 *(This offer has not yet been made public).* | • No commitments under Mode 1<br>• Foreign equity cap of 51 percent for commercial presence and services to be provided jointly with local educationists.<br>• No commitments under mode 4. | • Foreign equity cap is restrictive<br>• Commitments for inward academic mobility could help overcome faculty shortages |
| **Sri Lanka** made horizontal and sector specific commitments during Uruguay Round for all sectors in the schedule vide WTO Document No. GATS/SC/8 dated 15 April 1995. | • No sectoral commitments<br>• Automatic approval for foreign equity up to 40 per cent and for beyond and up to 100 percent with the approval of the BOISL on a case-by-case basis.<br>• Foreign degrees not recognized<br>• Work permit requirement in mode 4 | • Foreign equity cap is restrictive<br>• Commitments for inward academic mobility could help overcome faculty shortages |

**Source:** Compiled by the authors from WTO document s referred to in Column 1

It is clear from above that there are not too many barriers to trade in higher education services in the countries of South Asia, yet none of the countries has been able to attract foreign providers in large numbers. The countries in the region are struggling to cope with the rapid growth of private provision in higher education. An objective and transparent regulatory system for private education is yet to evolve. Foreign provision raises added concerns. For instance, the entry of foreign institutions is being opposed in

India on the grounds of hurting the cultural and educational ethos in the country (Agarwal, 2008).

Despite, these misgivings, there is growth of cross-border activities in higher education. Apart from student mobility, there will be a wide range of exchange agreements, distance education programmes, research collaborations and offshore partnerships. This is happening despite several impediments. These include – lack of recognition of academic qualifications or concerns over the quality of educational providers and the risk of seeing "degree mills" sprouting in a liberalized environment. It is however not clear if the GATS could offer the most appropriate setting to tackle these issues or the bilateral, regional or multilateral arrangements would be more useful.

Apart from capacity constraints, the issue of quality has now become central to the higher education systems worldwide. The growing movement of students and qualified people across borders requires that quality assurance systems in various countries should be compatible with each other. It should be possible for the academic and professional qualifications to be portable across national boundaries. Recognition systems are often complex and have many loopholes even within a country. Unscrupulous providers exploit these loopholes. Unplanned and chaotic growth of higher education in South Asia over the past two decades has complicated this. Growing cross-border activities are now adding further complications.

There are many initiatives both at national and international levels to improve quality assurance systems and put in place mechanisms for mutual recognition of qualifications across national borders. In December 2005, UNESCO and OECD have jointly issued non-binding guidelines on "Quality provision in cross-border higher education". The main goal of this initiative is to protect students against misleading information and low quality provision; to make qualifications readable, transparent and stronger in their international validity and portability; to increase transparency and coherence of recognition procedures and to intensify international cooperation among national quality and accreditation agencies[5].

For global recognition of its qualifications, countries in South Asia need to work towards the establishment and eventual adoption of common international standards such as the UNESCO-OECD guidelines for recognition of academic and professional qualifications. While making the domestic regulation investment-friendly and forward-looking, the loopholes in the existing system need to be plugged to restore credibility of academic degrees from India (Agarwal, 2006).

There has been a remarkable pace of change in the higher education in recent years. Much of this change has occurred completely outside a trade policy framework. It would be a mistake to expect that GATS negotiations would either stop or accelerate this trend. Thus, GATS negotiations are unlikely to be the driving force behind the continued internationalization of higher education. Yet, as the GATS negotiations gain momentum,

[5] Detailed guidelines are available at www.oecd.org/edu/internationalisation/guidelines

.

the greater transparency and policy predictability in higher education would help in achieving a higher level of bound liberalization commitments under the GATS that would be beneficial to all the stakeholders in higher education. By including higher education services in their offers, the governments of countries in South Asia have laid a foundation for a more liberal and predictable environment for entry and operation of foreign providers of higher education. Yet there is a long way to go before credible foreign providers in large numbers could be attracted to come to South Asia in large numbers to meet the growing need for quality higher education in the region.

## VIII. Regional cooperation in higher education in SAR

Though the term "South Asia" came into existence after the partition of India and Pakistan in 1947, the South Asian Association for Regional Cooperation (SAARC) was established only in 1985. South Asia has been relatively slow in assimilating the importance of regionalism towards attainment of development objectives. While the European Common Market was established in 1958, Association of South East Asian Nations (ASEAN) in 1967, South Asian Association for Regional Cooperation (SAARC) was established much later in 1985. Even after 23 years of the establishment of SAARC, South Asia has shown slow progress towards regional cooperation, and continues to be one of the least integrated regions in the world (Chandra and Kumar, 2008).

Though late in adopting regional integration policies, there is evidence of clear movement towards this in recent years. Discussions on South Asia Free Trade Area (SAFTA) are in decisive stage. The 14$^{th}$ SAARC Summit has stressed that to realize its full potential, SAFTA should integrate trade in services. They have called for a finalisation of an agreement in the services sector at the earliest. The summit also decided to strengthen cooperation and dialogue on educational matters through development of exchanges between academics, experts, policymakers, students and teachers. They called for inter-institutional cooperation, partnerships, and other regional initiatives in the field of education. The SAFTA Agreement that has come into effect from 1st January 2006 likely to be fully operational by 2016 could possibly include higher education services in its mandate in due course of time.

### *Regional cooperation in higher education*

Extension of regional cooperation to the field of education and higher education is not unique to this region. It is realized that the new multi-dimensional type of regionalism in the global world today need not be restricted to creating regional free trade zones or security alliances; it now includes all economic, political, social and cultural aspects. This extends to higher education as well. While earlier, in higher education, it was limited to collaboration between the universities across the countries on voluntary basis essentially for exchange of the students and the faculty, now it goes beyond this (Yepes and Ceder de, 2006).

There are several examples of regional cooperation in higher education. The United States tried to develop a regional grouping on education. US Consortium for North American Higher education Collaboration (CONAHEC.org) and the Organization

of American States (OAS.org) were two such efforts. In Latin America, the pan–regional organization has long sought to collaborate in the higher education sector while the sub-regional organizations have either complemented or supplemented each-other. A number of regional higher education organizations supported by UNESCO have come up. The countries of East Asia have come together at different points of time to work for improving the quality and accessibility of higher education. But all these efforts have met with limited success.

Issues such as the recognition of cross-border higher education provision, strengthening mechanisms to assure quality and emphasizing reliable, transparent and coherent criteria for assessment of qualifications are being addressed at the regional level agreements. UNESCO has itself adopted a strategy to prompt mutual recognition of higher education qualifications at the regional level. Yet, the most comprehensive model for regional cooperation in higher education has been creation of the European Higher Education Area (EHEA). Please see box below.

**European Higher Education Area**

The process for creation of European higher education area (EHEA) was initiated in 1999 with 29 European countries signing Bologna Declaration that primarily aimed at making academic degree and quality assurance standards more comparable and compatible throughout Europe. The basic framework adopts three cycles of higher education qualifications, namely the 3-year bachelor's degree, followed by 2-year master's degree and then 3-year doctoral degree defined in terms of European Credit Transfer System (ECTS) credits. Actual naming of the degrees may vary from country to country. The new model comes closer to the North American and Japanese systems. It gives greater weight to practical training, intensive research projects and the way credits are measured reflects how hard a student has worked.

With the Bologna process implementation, higher education systems in European countries are to be organized in such a way that it is easy to move from one country to the other (within the European Higher Education Area) – for the purpose of further study or employment; the attractiveness of European higher education is increased so many people from non-European countries also come to study and/or work in Europe; the European Higher Education Area provides Europe with a broad, high quality and advanced knowledge base, and ensures the further development of Europe as a stable, peaceful and tolerant community benefiting from a cutting edge European Research Area; there will also be a greater convergence between the U.S. and Europe as European higher education adopts aspects of the American system.

Source: Bologna Process (retrieved on 20 March, 2008)

*Initiatives in South Asia*

In South Asia, in the initial years, there was focus on enhancing technical cooperation in the region. It was mainly concerned with cooperation in agriculture, rural development, science and technology, culture, health, population control, narcotics control and anti-terrorism. SAARC avoids more divisive political issues. In the 1990s, the focus was shifted to the social agenda. Education was specifically included in the agreed areas of cooperation only in 1998. Since then several specific activities related education and higher education have been taken up to build up cooperation in this area. Globally there is mixed experience as far as regional cooperation in higher education I concerned.

Education was specifically included within the mandate of SAARC in 1998. A number of activities such as mutual recognition of educational institutions, evolving a common regional educational standard through uniform methods of instruction and

teaching aids and introduction of study about SAARC in the national curricula have been taken up. A Committee of Heads of the University Grants Commission / Equivalent Bodies has been set up to operationalize it. Scheme of SAARC chairs, fellowships and scholarships that was initiated in 1987 has been revised with several improvements. A SAARC Consortium of Open and Distance Learning (SACODiL) has been created for standardization of curricula, mutual recognition of courses and promotion of transfer of credits.

In October 2003, the Committee of Heads of the University Grants Commission decided that a minimum period to acquire a Bachelor's Degree (excluding Professional Degrees) should be 12 + 3 years of education in the member countries and a chapter on introduction to SAARC should be included in the curricula at secondary level in social sciences. The Committee also decided that the degrees awarded by chartered universities in the region should be recognized by all member countries on the basis of number of years of studies, grades and credits obtained. In sum, though some activities for regional cooperation in the field of higher education in South Asia have been initiated, the scale of such of such activities is still small and the outcome of such cooperation is no where close the kind of cooperation seen in Europe.

During the 2005 SAARC Summit, the Indian Prime Minister proposed setting up of a *South Asian University*. Fourteenth SAARC Summit in April 2007 formally ratified this proposal. This paved way to set up an Intergovernmental Steering Committee to draft the charter, bye laws, rules and regulations, curriculum development, business plans and other issues. Broad contours of this university have been worked out. While, specialized-research and training 'Centres of Excellence' would be set up in all member countries as per their special endowments and needs, the main campus of South Asia University would be established in India near Delhi. The university will consist of an undergraduate liberal arts college, a number of professional schools and a graduate studies school that will include a PhD programme. There would be notional allocation of seats for students from every country. The university is expected to be a non-profit public-private partnership venture, taking a balanced approach towards state and private funding. Students of the university are expected to visa-free travel in the entire region. While the governments would contribute to the initial funding--primarily capital costs to set up the residential university — once operational, the university is expected to generate all recurring expenses through its operations. SAARC Documentation Centre (Retrieved on 24 March 2008 from http://www.sdc.gov.in/News/news.jsp)

*Moving forward*

Across South Asia, higher education sector manifests interesting similarities. All South Asian countries lack adequate resources to provide their population with quality higher education. In view of competing priorities like poverty reduction, health care and basic education, in the short or medium term they may not be able to allocate adequate resources in order to offer quality higher education to all those who are willing to join higher education as usually happens in advanced countries. In light of this, pooling of regional resources will be a great help. India with its dominant presence in the South Asia region could play an important role in regional cooperation in the field higher education through SAARC.

Besides, socio-economic and cultural similarities amongst the countries in this region, there is a large degree of similarity in the academic structures enabling easy development of mutual recognition agreements. Such agreements are the key to greater student, academic and professional mobility in the region. Since, mobility of students and professionals is large within a region, therefore right strategy would be to adopt regional approach to mutual recognition of qualifications. Negotiation of the actual agreements is usually delegated to the professional bodies. The resulting agreement is often between the professional bodies rather than governments. Unless these agreements have clear delegation of authority from the respective governments, these may not be binding in international law under GATS framework, since GATS essentially covers government-to-government agreements. These agreements are often time confusing and complex and require resource-intensive negotiations. The success of such agreement depends largely on whether there are sufficient incentives to negotiate the agreement. Shortage of certain kind of professionals, market access enabling services to be provided by foreigners, attracting international students could be incentives for various countries in different circumstances. Experience of EHEA would be instructive in this regard.

It is further suggested that regional integration in South Asia will get a boost if it is undertaken as part of a broader pan-Asian cooperation. This will lend it greater dynamism and minimize the fears of smaller member countries towards regional cooperation in South Asia. India.

## Summary and conclusion

Despite common origin and similar academic and affiliating structure, higher education in countries of South Asia has evolved in different ways over the past decades. Currently there are significant differences amongst them. With current low levels of participation varying from 1.5 percent in Afghanistan to over 11 percent in India, there is large unmet demand due to young population, rapidly growing economies and rising aspirations of the people. Public system of higher education suffers from capacity constraints and lack of variety and quality. Growing demand is, thus met partly by the growing private sector –mainly but not exclusively though the domestic providers, and a growing number of students going abroad for higher education. Overall enrolment is likely to increase to over 50 million by 2025 (more than enrolment in all OECD countries together) from a little over 15 million currently.

Public universities that played a significant role in struggle for independence in the region have become highly politicised institutions with a passage of time. As a result there is rank inflation amongst the academic and grade inflation for students. Public confidence in university system has deteriorated. Courses that they offer are mainly in general areas of studies, where graduates do not get any employable skills. Large numbers of students are now willing to pay for their higher education subject to the same being relevant to the prevailing job market. Thus, rather than more of the same, higher education growth would be in professional and vocational areas of study. Both the domestic private sector and the foreign universities see this as a huge opportunity.

Private higher education that emerged in the 1980s and 1990s in all countries of the region (except Bhutan and Afghanistan) is gradually moving from periphery to a

dominant position. It has significant presence in Bangladesh (77% institutions and 43% enrolment), India (44% institutions and 33% enrolment), Pakistan (33% institutions and 17% enrolment), and Nepal (20% institutions and 9% enrolment). Private share in these countries exceeds a majority of other countries and trails behind just a few amongst 78 countries for which such data is now available. Private presence in the region now compares with that in East Asia and Latin America and the countries from the erstwhile communist block that have significant private share. Like elsewhere in the world (except the United States), the private institutions in the region are secular, demand absorbing, vocationally and commercially oriented. Though, there are still concerns relating to equity, quality and exploitative behaviour of the private sector, but the public policy in the countries of the region now takes into account both public and private provision to meet the growing demand and one hears less of public-versus-private debate.

As higher education systems become private-dominant, there is greater fear of exploitation of gullible students and increasingly more difficult to sustain standards of quality. With large variations in quality and status amongst institutions, there is greater susceptibility to market failure due to information asymmetries. Creation of more conducive environment for private higher education and pro-competitive policies appears to be the way forward. Right kind of regulation for the private sector and an effective accreditation system is required.

Foreign providers are peripheral adjunct to the growing private sector. Independent campuses of foreign universities are rare, but partnerships are common. Prestigious universities are cautious and content with setting up their research centres in the region to provide their home students an exposure to the rapid changes taking place in the region. Even a plethora of partnerships are with second-tier foreign universities that are trying aggressively to tap the huge potential in the region. More often than not foreign academic association is 'hollow' and private institutions use it to lure gullible students having a craze for foreign education.

Regardless of expanding domestic capacity, a large number of students go abroad for higher studies. While most students go to advanced countries, a growing number of students are now going countries like Malaysia, Singapore and China that are emerging as global magnets for international students. Student mobility within the region – largely to India getting students from other countries in the region, is small and declining. Efforts are needed to increase mobility of students from one country to another within the region. This would not only help the individual students, this would enable travelling of ideas across borders and increase the competitiveness of the higher education institutions in these countries. While degree structure in countries of South Asia is by and large same, establishment of a system of credit transfer and cooperation in quality assurance are needed to promote student mobility. In the changing environment, quality becomes more decisive than quantity; competition will require more and new form of cooperation, particularly in terms of strategic alliances and joint and double degrees.

Similarly, despite India's large higher education system and its dominant presence, its influence in shaping higher education in other countries of the region has been marginal. While many of the old public universities continue to have culture and ethos of traditional British university system, the new institutions, particularly in the private sector have the American influence. The region has not been able evolve a system

of higher education that meets its goals and rooted in the realities of the region. In recent years, countries have taken up major programmes to reform their system of higher education.

Most comprehensive has been reform initiative launched in Pakistan in 2002. This initiative deals with a range of issues relating to funding, faculty, curriculum, teaching-learning resources, and the private sector. Apart from significantly increase in funding, foreign provision is liberally used to build capacity. Despite some misgivings, overall impact has been positive. In the rapidly growing India, perceived skill shortages and focus on inclusive growth have brought higher education into limelight. The debate steered by National Knowledge Commission set up by the Prime Minister has thrown several innovative ideas. Funding for higher education has received a significant boost in the Eleventh Five Year Plan (2007-2012). Several new institutions are proposed to be set up by the national government; a few of them are already in operation. Yet, the direction of reform is somewhat hazy. Bangladesh has taken a 20-Year *National Strategic Plan* for higher education to address issues related to access, governance and quality. In Sri Lanka, a separate Ministry of Higher Education has been created to give greater thrust to higher education development.

The biggest challenge in higher education for the countries of South Asia is to put in place financing and regulatory arrangements that remove binding constraints for harmonious growth of both public and private sector. In doing do, there is scope to benefit from foreign provision. And for all this, there is scope to benefit from experience of each-other and build upon the complementarities in higher education amongst the countries of the region. While setting up of South Asia University is welcome, logical next step would be to create South Asia Higher Education Area (SAHEA) on the pattern of the Europe Higher Education Area (EHEA) for deepening the regional integration efforts. This would make education and research in South Asia more competitive edge in the growing global knowledge economy.

## Notes

Notes below give primary sources of data and analysis for various country studies. While compiling data, inconsistencies in data have been removed.

(1) **India** country study is primarily based on ICRIER working paper no. 180 by the author. This working paper provides a comprehensive review of higher education in all its aspects. In addition, an OBHE report on privatization of higher education and study on international student circulation by the author have been used to give an overview of the private sector and internationalization trends in Indian higher education. Books by Powar (2003) and Powar and Johar (2004) are good sources for literature on internationalization and privatization of higher education in India. Singh (2004) has traced the history of higher education and role of the University Grants Commission in India over the last fifty years.

(2) **Pakistan** country study is based on data available from the website of the Ministry of Education www.moe.gov.pk/educationalstatistics.htm. It has data on enrolment and financing of institutions. Statistics on higher education is also published by the Board of Investment in Pakistan available at www.pakboi.gov.pk/BFacts/higher_education.html. World Bank's Higher education note as an assessment of the *Medium Term Development Framework* is found extremely useful to understand the recent reforms. This along with several other reports on reforms in higher education in Pakistan provides a comprehensive view.

(3) Data from National Education Survey (Post-Primary)-2005, BANBEIS released in August 2006 and a recent research paper by IIHEP on private higher education in **Bangladesh** have been primary source of information and analysis for Bangladesh country study. International Higher Education (IHE) had three articles on Bangladesh. In 1998 Hopper wrote on emerging private universities in Bangladesh. In this paper, he focuses on the period after the Non-Governmental Universities Act of 1992 was passed. This has led to the establishment of several private universities and institutions in Bangladesh. In 1999, Hopper wrote on the unique model of higher education loan programmes of the Grameen Bank. Munir Quddus (1999) analyzed the issue of access to higher education in Bangladesh.

(4) The data on higher education in **Sri Lanka** is available in the statistical abstract of Sri Lanka and is compiled by the Department of Census and Statistics. www.statistics.gov.lk/index.asp. The available data consists of the institutions of higher learning, the number of students enrolled, the number of undergraduate and post graduate students enrolled and the type and class of technical colleges.

(5) **Nepal's** Ministry of Education and Sports Website www.moes.gov.np provides basic facts on education (including higher education) in Nepal. Available data includes enrolments, number of students abroad and some indicators on education financing. There is however gap in information and the data relate to the year 2003-04. The World Bank Country Summary on Higher Education gives data and some facts for the year 2005-06. Two parallel studies under SANEI-VIII Round on financing higher education in Nepal and graduates and job markets in Nepal provide useful information and careful analysis by researchers based in Nepal itself. Perils of higher education reform in Nepal by Bandita Sijapati published in the Journal of Development and Social Transformation in November 2005 gives a good analysis of the impact of higher education reform in Nepal. However, with its narrow focus only on accessibility and equity, this had a limited use. The Asia-Pacific Academic Recognition Network [www.aparnet.org] has a country report on Nepal that provides general information on higher education system in Nepal.

(6) Country study for **Afghanistan** is based on World Bank country summary of higher education, the strategic action plan for Afghanistan developed by IIEP, and several other web resources.

## References


Agarwal, Pawan (2006a), "Higher Education Services and Trade Liberalization", In: Rupa Chanda (Ed.), *Trade in Services and India: Prospects and Strategies*. Wiley (India). New Delhi. 2006

Agarwal, Pawan. (2006b). *Higher education in India: The need for change.* ICRIER Working Paper No. 180. New Delhi.

Agarwal, Pawan. (2007). Higher Education in India: Growth, Concerns and Change Agenda. *Higher Education Quarterly*, Volume 61, No. 2, April 2007, pp 197–207

Agarwal, Pawan (2008a), "India in the context of international student circulation: Status and prospects" In Hans de Wit and Others (Eds.), The Dynamics of International Student Circulation in a Global Context, Sense Publishers, Rotterdam, The Netherlands

Agarwal, Pawan (2008b). *Indian higher education: Needs, gaps and perspectives*. Sage: New Delhi *(forthcoming).*

Alam, Mahmudul, Haque, M. Shamsul and Siddique, Syed Fahad. (2007). *Private Higher Education in Bangladesh*, International Institute for Educational Planning (IIEP), Paris

Altbach, Philip G, Levy, Daniel C. (ed.). (2005). *Private Higher Education: A Global Revolution*. Netherlands: Sense Publishers.

Altbach, Philip G. (2003). *Private Prometheus: Private Higher Education and Development in the 21st Century*. Boston: Greenwood Publishing Company.

Altbach. P. and Lulat. Y. (1985). Research *on foreign student and international study: An overview and bibliography*. New York: Praeger. (p.50)

Ammar Lamichhane and Pimpa Chemjong. 2007. Graduates and Job Markets in Nepal: A comparative study of graduates (in 2002 and 2003) and job markets from public and private universities/colleges in Nepal. National Institute of Social Sciences, Kathmandu

Arimoto, A. (1997). Market and higher education in Japan. *Higher Education Policy*. 10 (3/4), 199-210

Asadullah ,Mohammad Niaz. (2005). "Returns to education in Bangladesh". QEH Working Paper Series – QEHWPS130, Working Paper Number 130.

Asia Report Nº84. (2004). "Pakistan: Reforming the Education Sector", International Crisis Group,

Atta-ur-Rahman. 2008. Higher Education in Pakistan: A Silent Revolution. Retrieved on 24 April 2008 from www.iienetwork.org/page/108514/

BANBEIS. (2006). National Education Survey, (Post-Primary)-2005, Bangladesh Bureau of Educational Information & Statistics. Ministry of Education, August 2006

Bashir, Sajitha. (2007). Trends in International trade in higher education: Implications and options for developing countries. World Bank, Education Working paper Series Number -6, p.20

Bhalla, Veena. (2005). International Students at Indian Universities. *International higher education*. 41, Fall 2005: 3-4.

Bhushan, Sudhanshu. (2005). Foreign Universities in India: Market-Driven New Directions. *International higher education* 41 (Fall 2005): 4-5.

Bohm, Antony et.al. (2004). *Vision 2020: forecasting international student mobility.* A Joint Study by the British council and IDP-Australia. London. British Council.

Chanda, Rupa. (2004). Concerns of opening up higher education. The Financial Express, New Delhi, 14 December, 2004.

Coffman, James. (1997). "Private Higher Education in Pakistan: The Need for Order", *International Higher Educatio*n, Centre for International Higher Education, Fall.

Cummings, W.K. (1997). Human resource development: The J-model. In W.K. Cummings & P.G. Altbach (Eds.), *The challenge of Eastern Asian Education: Implications for America* (pp.275-276). Albany: State University of New York Press.

Daily Star, 2004 (14 October), Dhaka.

Dore, R.P. (1976). *The diploma disease*. London: George Allen & Unwin.

Dreze, J and Sen, Amarya (1995), "Basic Education as a Political Issue", *Journal of Educational Planning and Administration*, Vol.9 No.1;

GUNI. (2006). Series on the Social Commitment of Universities 1. 2006. *Higher Education in the world: the Financing of Universities.* Palgrave Macmillan

Hahn, Ryan.(2007). *The Global State of Higher Education and the Rise of Private Finance (2007*). Global Center on Private Financing of Higher Education. Institute for Higher Education Policy IHEP. August 2007

Hallak, Jacques. (1972). Financing and Education Policy in Sri Lanka, International Institute for Educational Planning, UNESCO.

Haque, M. Shamsul (2001). Higher education in Bangladesh: Strategic management issues, paper presented at the BIDS seminar on economy and society – education sector review. 13 September 2001. Dhaka.

Hoodboy, Pervez. 2008. 'Pakistani's Universities – Problems and Solutions' *Dawn* on 2 and 9 January 2008

Hopper, Richard. (1998). "Emerging Private Universities in Bangladesh: Public Enemy or Ally?" International Higher Education, Centre for International Higher Education, Winter1998,

Hopper, Richard. (1999). Bangladesh: Grameen Banks Higher Education Loan Program. #16 (Summer 1999): 6-7.

IHEP (Institute for Higher Education Policy). (1998). *Reaping the benefits: Defining the public and private value of going to college.* Washington D.C.

IIEP. 2004. Strategic Action Plan for The Development of Higher Education in Afghanistan, (with expert team from the Ministry of Higher Education, Afghanistan). International Institute for Educational Planning UNESCO. May 2004

Jayaram, N. (2006). National perspectives: India. In: Forest, James J. F. and Altbach, Philip G. (eds.). *International Handbook of Higher Education*. Springer. Dodrecht, The Netherlands.

Johnstone, D. Bruce. (1998). *The Financing and Management of Higher Education: A Status Report on Worldwide Reforms*, The World Bank,

Jong Bloed, B. (2004). Funding higher education: Options, Trade-offs and Dilemmas. Paper for Fulbright Brainstorms - New trends in higher education. CHEPS, University of Twente, Netherlands.

Joshi, R. D. (2002). Reforms at the Institute of Engineering in Tribhuvan University of Nepal. *World Bank Working Paper.* Retrieved October 3, 2004, from World Bank Website at http://www-wds.worldbank.org/servlet/WDS_IBank_Servlet?pcont=details&eid=000094946_0307250400462

Kitamura, Yuto. (2006). Expansion and quality in Bangladesh. *International Higher Education*. Number 44, Summer 2006

Knight, Jane. (2006). Internationalization: Concepts, complexities and challenges. In James J.F. Forest & Philip G. Altbach (Eds.). *International Handbook of Higher Education*. Dordrecht, the Netherlands: Springer.

Levy, Daniel, C. (2006). The private fit in the higher education landscape. In: Forest, James J. F. and Altbach, Philip G. (eds.). *International Handbook of Higher Education*. Springer. Dodrecht, The Netherlands. (p.281-292)

Majeed Khan, A. (2008). Encouraging Private initiatives. *India Seminar* retrieved on 29 January 2008 from www.

Maldives. (2007). Maldives Sustaining Growth & Improving The Investment Climate Tourism Sector And Its Potential. p.43. Report retrieved on 16 March 2008 from www.

Marginson, Simon (2007). Global position and position-taking: the case of Australia. *Journal of Studies in International Education*, 11(1)

Michelle Riboud, Yevgeniya Savchenko, and Hong Tan. 2007. *The Knowledge Economy and Education and Training in South Asia*. Human Development Unit, South Asia Region, World Bank, Washington, September 2007

Ministry of Education, Government of Pakistan. (2002). *Task Force on the Improvement of Higher Education in Pakistan: Challenges and Opportunities.* http://web.mit.edu/bilal/www/education/taskforce.pdf

MoE (2002). *Task Force for Improvement of Higher Education in Pakistan. Challenges and Opportunities*. Ministry of Education. Government of Pakistan. 2002.

NEC Study Series 16, 2004 – *Sectoral Review of General Education*, National Education Commission, Colombo, 2004.

Perera, Sterling. 2007. Study on Access to Higher Education in Sri Lanka, Marga Institute, Sri Lanka Centre of Development Studies, Colombo, November, 2007 ) at www. …… (accessed on 28 February 2008)

Perkin, Harold. (2006). History of universities. In: Forest, James J. F. and Altbach, Philip G. (eds.). *International Handbook of Higher Education*. Springer. Dodrecht, The Netherlands. pp186-187

Powar, K.B. (2003). Internationalization of higher education: Focus on India. Amity University Press. New Delhi

Powar, K.B. and Johar, K.L. (eds.). (2004). *Private initiatives in higher education*. Sneh Prakashan and Amity Foundation for Higher Learning. New Delhi.

Powar, K. B. & Bhalla, V. (2006). Foreign providers of higher education in India: Realities, implications and options. Position Paper 1/2006, Dr. D.Y. Patil University and Edupro Foundation, Pune, December

Pradhan, Jalandhar, (2005). "Demographic Profile of Economic Resources and Environment in South Asia", http://iussp2005.princeton.edu/download.aspx?submissionId=51977

Obst, Daniel. (2008). National Policies for International Education. Retrieved on 24 April 2008. www.iienetwork.org/page/116248/

Qayoumi, Mohammad Humayon. (2006). The Plight of Education in Afghanistan. Address at the President, California State University East Bay 2006

Quddus, Munir, (1999). "Access to Higher Education in Bangladesh: The Case of Dhaka University", International Higher Education, Centre for International Higher Education, Fall.

Ramesh Chandra and Rajiv Kumar. 2008. South Asian Integration Prospects and Lessons from East Asia ICRIER Working Paper No. 202

Rizvi, Shamim Ahmed. 2002. Higher Education in Pakistan. Islamabad Aug 26 - Sep 01, 2002

Rosenzweig, Mark R., 2006. "Global Wage Differences and International Student Flows," Yale University www.nyu.edu/africahouse/forresearchers/africana/Mig120506Rosensweig.pdf

RUB. (2008). Annual Report of the Royal University of Bhutan. Retrieved on 9 Feb 2008 from http://www.rub.edu.bt/#

Shah, Dawood, (2003). "Decentralization in the Education System of Pakistan: Policies and Strategies", Academy of Educational Planning and Management Ministry of Education, Government of Pakistan, Islamabad, June 2003.

Shareef ,Ali Fawaz, Kinshuk, (2002) "Towards a Distance Education Model in Maldives", Proceedings of the International Conference on Computers in Education (ICCE'02)

Shrestha, Durga Lal and Others. 2007. Financing the Higher Education in Nepal. Centre for Economic Development and Administration (CEDA). Tribhuvan University, Kathmandu, Nepal

Sijapati, Bandita, (2004). Perils of Higher Education Reform in Nepal. http://www.maxwell.syr.edu/moynihan/programs/dev/journal/vol2/sijapati3.pdf

Singh, Amrik (2004). "Fifty Years of Higher Education in India: The role of the University Grants Commission", New Delhi: Sage Publications.

Sobhan, Rehman, (2002). "Restoring Excellence to Public Higher Education in Bangladesh". UNPAN

Spencer, Diana. 2008. UK: Booming private sector. *University World News*. Retrieved on 31 March 2008

Stella, Anthony. Institutional Accreditation in India. *International higher education* #27 (Spring 2002): 17-18.

Taneja, Nisha; Mukherjee, Arpita; Jayanetti, Sanath; and Jayawardhana, Tilani (2004). Indo-Sri Lanka Trade in Services: FTA II and Beyond, Indian Council for Research on International Economic relations (ICRIER), New Delhi and Institute of Policy Studies (IPS), Colombo, November 2004, www.saneinetwork.net/research/sanei_I/index.asp.

The Boston Group. (2002). Higher Education in Pakistan: Towards a Reform Agenda, A contribution to the Task Force on Improvement of Higher Education in Pakistan.

The Observatory on Borderless Higher Education. (2004). " Mapping Borderless Higher Education: Policy, Markets and Competition". London: Association of Commonwealth Universities.

The World Bank (2006). Higher Education Policy Note, Pakistan: An Assessment of the Medium-Term Development Framework. June 28, 2006. Human Development Sector. South Asia Region. The World Bank, Washington DC.

Trow, M. (1973). Problems in the transition of from elite to mass higher education. Carnegie Commission on Higher Education. Berkeley. California: McGraw-Hill.

Umakoshi, Toru (2004). Private higher education in Asia: Transitions and Development

UNESCO. (1998). "Education for the Twenty-first century: Issues and Prospects". UNESCO, Paris

UNESCO. (2006). Global Education Digest 2006: Comparing education statistics across the World. UNESCO, Paris

Usher, A. (2006). Statistical overview. In: Forest, James J. F. and Altbach, Philip G. (eds.). International Handbook of Higher Education. Springer. Dodrecht, The Netherlands.

Verbik, Line and Merkley, Cari. (2006). The International Branch Campus – Models and Trends. The Observatory on Borderless Higher Education. October 2006

World Bank. (2000). Higher education in developing countries: Peril and promise. The World Bank. Washington DC

World Bank. (2002). Constructing Knowledge Societies: New Challenges for Tertiary Education. Washington DC p.81 of

World Bank. (2006). World Bank in Afghanistan Country Update. January 2006

World Bank. (2006). World development indicators. The World Bank. Washington DC

World Bank. (2007). Third Education and Training Project, Republic of Maldives. World Bank. Human Development Sector Unit (South Asia Region). July 30, 2007

World Bank. (2008). Migration and Remittances Fact book 2008. Retrieved on 25 April 2008 from www.worldbank.org

WTO (1998). Education Services: Background Note by the Secretariat, World Trade Organization. S/C/W/49, 23 September 1998.

Yepes, César de Prado (2006), 'World Regionalization of Higher Education: Policy Proposal for International Organisations,' 19, *Higher Education Policy*, pp. 111-128.

## Databases / Web resources

Afghanistan: Country Summary of Higher education, Retrieved on 5 March 2008 from http://siteresources.worldbank.org/EDUCATION/Resources/278200-1121703274255/1439264-1193249163062/Afghanistan_CountrySummary.pdf

Asia and Pacific Regional Network: Country reports for India, Nepal, Sri Lanka and Maldives. www.aparnet.org.

Bangladesh: Country Summary of Higher education, Retrieved on 10 March 2008 from http://siteresources.worldbank.org/EDUCATION/Resources/278200-1121703274255/1439264-1193249163062/Bangladesh_countrySummary.pdf

CIA World Fact book, U.S. Department of State, Area Handbook of the US Library of Congress – Country Studies. http://countrystudies.us

India: Country Summary of Higher education, Retrieved on 12 March 2008 from http://siteresources.worldbank.org/EDUCATION/Resources/278200-1121703274255/1439264-1193249163062/India_CountrySummary.pdf

International Association of Universities. Information Database - Higher Education Systems. Available at - www.unesco.org/iau/onlinedatabases/

Maldives Country Summary of Higher education, Retrieved on 5 March 2008 from http://www.google.co.in/search?hl=en&q=Maldives+Country+Summary+of+Higher+Education&btnG=Search&meta

Nepal: Country Summary of Higher education, Retrieved on 8 March 2008 from http://siteresources.worldbank.org/EDUCATION/Resources/278200-1121703274255/1439264-1193249163062/Nepal_CountrySummary.pdf

Pakistan: Country Summary of Higher education, Retrieved on 15 March 2008 from http://siteresources.worldbank.org/EDUCATION/Resources/278200-1121703274255/1439264-1193249163062/Pakistan_countrySummary.pdf

Pakistan- Education Profile. www.bookrags.com/history/worldhistory/pakistaneducation-system-ema-04/

Sri Lanka: Country Summary of Higher education, Retrieved on 12 March 2008 from http://siteresources.worldbank.org/EDUCATION/Resources/278200-1121703274255/1439264-1193249163062/Sri_Lanka_CountrySummary.pdf

University Grants Commission (UGC), Bangladesh. Retrieved on 6 July, 2006 from www.ugc.org/ugcb.htm

http://siteresources.worldbank.org/SOUTHASIAEXT/Resources/223546-1151095128459/ch3.pdf (accessed on 6 Feb 2008)

World Higher Education Database (WHED). www.unesco.org/iau/onlinedatabases/systems_data/bd.rtf