

Foreign Universities Bill: Gifting India to the West, a Second Time

R.Vaidyanathan*

“The English have not taken India; we have given it to them. They are not in India because of their strength but because we keep

them. Hence it is truer to say that we gave India to the English than that India was lost” - Mahatma Gandh in *Indian Opinion* during the British rule a hundred years ago. Today the Government of an independent India, by a legislation, is inviting the foreign universities to come and educate our children!

It is not a coincidence that the Cabinet has approved the foreign universities Bill on the occasion of the completion of one hundred years of the publication of the booklet on Hind Swaraj written by Mahatma Gandhi. It was written by him in 1908 on his return voyage from London and published serially in the columns of the *Indian Opinion* edited by him. Then within a year it was published in a book

form to be proscribed by the then Bombay Government. In answer to the Bombay Government’s action he published the English translation.

He says in that fascinating book, “The English have not taken India; we have given it to them. They are not in India because of their strength but because we keep them. Hence it is truer to say that we gave India to the English than that India was lost” [Mahatma Gandhi: Collected works Vol 10 August 5 1909 to April 1910]

The Government has decided to open up the education sector particularly of the higher education variety to the for-

ign universities and the Bill is expected to be introduced in Parliament soon. The Human Resources Minister has claimed that the impact of the bill will be more revolutionizing than the Spectrum allocation and mobile phone. We only hope that he is talking about the outcome and not the scandals involving thousands of crores as pointed out by the Delhi High Court!

*R. Vaidyanathan is Professor of Finance, Indian Institute of Management, Bangalore. The views are personal and do not reflect those of his organization.

Foreign Education

Largesse to Cambridge and

Harvard by GOI

It is a continuation of our decision to provide more than Rs 50 crore to Cambridge and Harvard universities earlier to honour the entry of Nehru into the former and to “study India” in the latter. It is about Cambridge launching Nehru professorship. The news item indicates that The University of Cambridge is launching the “Jawaharlal Nehru Professorship of Indian Business and Enterprise” to honour the centenary of Nehru’s arrival at Trinity college Cambridge where he studied for a degree in Natural Sciences. So far so good. But the next line is a giveaway.

It has been set up with a fund of 3.2 million British Pounds, which is nearly Rs. 26 crore Indian rupees, contributed by the Indian Government to celebrate the entry of Nehru as a student at Trinity College. The Professorship will be assigned to the Judge Business School in the University.

The University will retain the entire benefaction as permanent endowment and will use the net income from the investment of the sum towards salary and expenses of the holder of the professorship and under associated overheads.

This news item though interesting was

not debated by academicians nor com-

mented by editors. To start with, there are questions regarding using

Government money to facilitate the fund raising activity of Cambridge or other UK institutions. It is common knowledge that post-Thatcher era educational institutions in the UK are forced to raise the fees particularly for foreign students and even then the fees does not cover even 25% of the cost of running these institutions. And hence most of the British educational institutions are going around the world with a

It is a continuation of our decision to provide more than Rs 50 crore to Cambridge and Harvard universities earlier to honour the entry of Nehru into the former and to "study India" in the latter.

begging bowl camouflaged as road shows for their graduate and undergraduate courses. They are desperate for

funds and their endowments/corpus is much lesser than that of US universities. Why a developing country like India should fund the declining institutions of the West and more so that of the UK?

Another news item indicated that the Government of India is gifting USD 4.5 million for Harvard University to establish a Fund in honour of Prof Amartya Sen, which would facilitate Indian students to pursue higher education in that institution. This was to celebrate the 75th birthday of the renowned economist in recognition of his

“extraordinary accomplishments”.

[PTI-11th December-2008]
 Harvard, which recently lost more than 8 billion USD (nearly 22 percent of its corpus), is more desperate to augment its resources in the context of global melt down and deep US recession. [04-12-08 WSJ]. Why a developing country like India should fund the cash starved institutions of the West? Recently the traditional Fulbright Fellowship has been re-Christened as Fulbright Nehru Fellowship. It is not clear how many million dollars of our money has been given for this name changing exercise in the context of dwindling resources of the original fund.

In the case of China there are various centres funded by the universities and US companies. India is a peculiar country which funds centres in foreign universities facilitating/enhancing their finances. This gesture is not going to make others recognize us as a global economic power. This gesture shows the colonial subservience of the Indian leaders.

The higher education institutions in India are starved of funds and crying out. After the decision of the Government regarding OBC reservation and Supreme Court judgments, it is required for

Centrally-funded institutions to increase their strength by at least one and half times and hence they need funds to expand their physical infrastructure. The Government is not much forthcoming on this and expects the Central institutions to fend for themselves. There is a need for buildings and various other physical infrastructures in all the Central institutions of higher learning, leave alone the crying need of lower levels of education. It is also surprising that the traditional rebels without a pause, namely, the left liberals are totally silent on this. The

Harvard, which recently lost more than 8 billion USD [or nearly 22 percent of its corpus] is more desperate to augment its resources in the context of global melt down and deep US recession.

usual Marxist crowd berating US imperialism etc is also silent. May be the recessionary imperialism is not to be bothered

about. The academic community is silent and some may be positioning themselves for future opportunities.

In the context of starving Indian institutions; gifting nearly 50 crore to UK/USA institutions is, to say the least, callous and it could be construed as the result of the embedded colonial gene in our systems.

Foreign Universities Bill

And now comes the foreign university Bill. The major arguments given for the bill are that it will minimize students

Foreign Education

going abroad and save billions of foreign exchange and enhance competition, and open the windows for foreign expertise and facilitate globalization.

The first argument regarding Indian students going abroad is specious. Many of the students going for beautiful or bread making courses in Australia are primarily interested in getting residence permits and becoming citizens of that country. They are not interested in learning per se. Hence the arguments regarding saving foreign exchange is not without basis.

The argument regarding increasing competition and improving quality is dubious. Actually, we find from the pioneering efforts of Dharam Pal that the education system prior to British "reforms" was inclusive and widespread. They systematically destroyed it to build a system to suit their needs. The renowned Gandhian, Dharampal visited British and Indian archives and repro-

duced reports which were undertaken by the British in Madras, Punjab and Bengal Presidency for 1800 to 1830.

According to a detailed survey done during 1822-25 in the Madras Presidency (that is, the present Tamil Nadu, the major part of the present Andhra Pradesh, and some districts of the Present Karnataka, Kerala and Orissa) that 11,575 schools and 1094 colleges were still in existence in the Presidency and that the number of students in them were 1, 57,195 and 5431, respectively. Much more important in view of our current debates and assumption is the unexpected and important information provided with regard to broad caste composition of the students in these institutions. We have provided the data in Table-1. We find that the position as early as the first part of the nineteenth century was significantly in favour of the backward castes as far as secular education was concerned.

Table-1: Survey of Madras Presidency on Education during 1822-1825

Share of Sudras in schools	Percentage
Tamil speaking areas	70-80 %
Oriya Areas	62 %
Malayalam Area	54 %
Telugu Area	35-50 %
Share of Brahmins in Tamil Speaking areas	
South Arcot	13 %
Madras	23 %
Source: Dharampal; Beautiful Tree-Indigenous Indian education in the Eighteenth Century; Vol-3 of Collected writings; Published by Other India Press Goa 2000	

Hence, the British inspired propaganda that education was not available to the so-called backward castes prior to their efforts is not valid. The “secular” education always played a major role in social transformation prior to British rule. But unfortunately the education system introduced by the British destroyed our own indigenous system and produced servants for the Raj.

Our Experience: Bankrupt Classes on Ascendancy

Let us look at what has taken place in the last six decades in higher education after the arrival of institutions of higher learning like IIT’s, NIT’s (formerly REC’s), IIM’s and various other institutions in medicine, law etc. The lower and middle classes could have access to education based on merit since most of these institutions, particularly Government-owned, were following rigorous entrance criteria. The traditional feudal elite belonging to what can loosely be called Delhi/Mumbai caucus which thrives on recommendation or “sifarsu” culture found the going difficult. Not only that. Most of the children of business magnates could not get into prestigious Indian

institutions due to strict entrance test etc and they used to be sent abroad for higher education by the elite by paying a hefty sum as fees. As it is well-known, one of the important criteria to get into these world class institutions in the USA and the UK is the amount of money you can give as fees or as gifts in the form of grants. The elite thrived on the illegal money stashed abroad in various tax havens to educate their low IQ progenies while as the bankrupt classes were ascending the hierarchy by merit, capability and competence.

Hence the British inspired propaganda that education was not available to the so called backward castes prior to their efforts is not valid. The "secular" education always played a major role in social transformation prior to British rule.

The elite suddenly realized that the cost of sending their children is increasing and the newly ascending bankrupt classes are becoming

powerful in terms of their position in many organizations and other bodies. These are the children of the middle classes.

So the elite which thrive on “chit” and “slip” culture decided to hit back and the result is this foreign university Bill. These so-called quality institutions will look for larger donations and they give admission based on “legacy”. That is the children or sponsors of Alumni get preferences based on “donations”.

These institutions in the UK and the

Foreign Education

USA are broke and many departments are getting closed.

To quote from a recent article in The Economist, "No one should go broke because they chose to go to college," Barack Obama said in January in his state-of-the-union speech. But American college students worry they might, thanks to recent fee increases at technical colleges and universities. On March 4th students and disgruntled faculty staged protests at around 100 campuses in over 30 states, calling on state legislators and university administrators to put a halt to recent tuition hikes and funding cuts. In

O a k l a n d , California, student protesters marched onto a big highway and stopped the traffic.

Elsewhere, students carried coffins to symbolize the death of affordable education.

According to the Centre on Budget and Policy Priorities, a think-tank, at least 39 states have decreased their funding for public colleges and universities or increased their tuition charges. In California some public universities have increased fees by more than 30%. At the same time they are cutting back on their offerings. Many have tried to save money by laying off staff, closing

academic departments and reducing the

number of classes offered. Some are admitting more out-of-state students, who pay higher fees. Several institutions have also started to cut the number of students they enroll in order to save money. California State University (CSU), a public university system that has 23 campuses in California, will reduce enrolment by 20,000 students next academic year, because it has lost \$564m, or around 20%, of its state funding. [11-03- 2010; the Economist; London]

Britain is much worse. Post-Thatcher

era the universities are struggling due to reduced state funding and inability to increase the fees. R e c e n t l y C a m b r i d g e

Post-Thatcher era the universities are struggling due to reduced state funding and inability to increase the fees. Recently Cambridge announced that its dorms will be thrown open to public during summer, of course, for a price.

announced that its dorms will be thrown open to public during summer of course for a price. The ever eager "Sepoys of the royal crown" in the Indian press carried the news as a rare opportunity to devour the ambience of the rarefied Cambridge atmosphere. It forgot to add that this is a desperate measure to shore up its revenues by any means and the atmosphere at the broken Cambridge is anything but rarefied!

In the original Bill of Arjun Singh, the

previous minister of Human Resources, which was not piloted by the then Government, it was mentioned as part of the objects and reasons that “A number of Foreign educational institutions have been operating in this country and some of them may be resorting to various mal-practices to allure and attract students particularly in smaller cities and towns. The hands off approach of the Government has given rise to chances of Fraud and cheating of gullible students and crass commercialization”

This could not be a reason to bring such a Bill since the appropriate remedy is to punish the wrong doer rather than bring in hordes of them. It is like legalizing drugs and other substances since in many centres of the country these are consumed etc.

Another important reason provided by the current ruling groups and the Spin master Sepoys in the media is that it will help lakhs of youngsters who are going abroad to pursue higher education and preserve precious foreign exchange and also prevent spurious institutions abroad luring our youngsters.

Let us analyze the different categories of youngsters and reasons thereon for

going abroad. The first is primarily to countries like Australia for skill related courses –like beauticians and cake making –hoping to get work permit in that country to settle down. That group is not going to join cake making courses in Eluru or Nasik or Dibrugarh or Batala even if offered by foreign universities unless residence/work permit dreams are also provided in the convocation.

The second group is the highly qualified IIT/NIT engineers for higher education to the USA. This has been going on from the sixties and it is what one

Essentially Indian parents bring up their children in a cultured way, give them the best of education .When they are in their twenties after graduation, they go to the US to get further education and settle down there with green card etc.

can call as “out-sourcing of reproduction” by the US society to India /China and Korea. Essentially Indian parents bring up their chil-

dren in a cultured way, give them the best of education .When they are in their twenties after graduation, they go to the US to get further education and settle down there with green card etc. This has been happening for more than five decades and suddenly Government of India cannot say that it has woken up to this issue and wants to reverse the flow. In that case it should bring back Indians and not White institutions. The level of private corporate sponsorship is an attraction for students of science and

Foreign Education

engineering stream and the desire to get Green card is deep-rooted going back couple of centuries due to ingrained colonial genes.

The third category is the children of business people and bureaucrats and other "Delhi Caucus" descendants who cannot get into institutions of higher learning in India due to stiff entrance criteria. They pay through their nose and get into any type of institutions like "Tall Mountain" or "Deep Sea" university and proudly come back and occupy important positions in our Government due to "Sifarsu" culture. For instance, in our present Council of Ministers and Parliament many are "Foreign" educated and most of them are paid seat category. Same is the story of children of business barons who buy a seat in prestigious universities abroad. In that there are two categories. One is those who are "educated" abroad and the other is "graduated" abroad. The former imply being thrown out after several attempts in that university and later imply somehow managing to pass. It is this group which feel threatened now due to spiraling cost of education abroad; the limited visa regimes of Western countries and the threat from the ascendancy of the

"bankrupt classes" through the merit route of JET's and CAT's.

The foreign universities Bill will fulfil the ungratified desire of the colonial genes who would be, to quote Macaulay's minutes, "a class of persons Indian in blood and colour, but English in tastes, in opinions, in morals and in intellect". [Source: <http://www.mssu.edu/projectsouthasia/history/primary-docs/education/Macaulay001.htm>]

Profit and Tax Dimension

Another dimension which is stressed in the Bill is that at least Rs 50 crore should be provided by the said universities. This is not a large sum by any stretch of imagination. But the rider is that they cannot repatriate their profits back home.

What about other form of income like say, consultancy? For instance, in the famous case of IC2 (a wing of University of Texas) it was held by the Authority of Advance Ruling (AAR) that UT is not liable to pay income tax in respect of the payments entered into between FICCI and UT. This is for the consultancy services the University provided to FICCI. FICCI, a leading industry chamber is a non-profit company registered under the companies

The foreign universities Bill will fulfil the ungratified desire of the colonial genes who would be, to quote Macaulay's minutes, "a class of persons Indian in blood and colour, but English in tastes, in opinions, in morals and in intellect".

Act 1956 and its income is not taxable in India while the University of Texas has been granted exemption from tax under the provisions of the Internal Revenue code [IRC] Although the AAR decision is binding only on the applicant seeking an order on a tax query it does set a persuasive precedence for similar cases.

Globalization is Accelerated!

The major argument is about globalised world and how important for India to be part of it. The proponents of this view are not aware of the fact that the old glob-

The major argument is about globalised world and how important for India to be part of it. The proponents of this view are not aware of the fact that the old globalisers are all on the run.

alisers are all on the run. In the recent Davos circus it was not even used once and the guru of free trade and the ultimate liberal and the conscience of liberal America namely Paul Krugman wants USA to impose severe customs tariff –called surcharge- up to 25 percent on all Chinese imports. Today if anyone talks of globalization it is on Indian and Chinese terms. The axis of power has shifted and the West is in terminal decline or monotonically declining for those who are mathematically not challenged. When the West is on decline on all fronts and when its weltanschauung or world view is not being bothered

about; what is the necessity for India to try to adapt to their educational system. It is broke there from financial point of view as well as philosophical point of view. Their models have not worked, their family system is broke their community system is broke their social security system is broke their church is broke due to scandals and they are just broke. Martin Wolf, of the Financial Times, refers to India and China as “premature superpowers”, countries that have low

living standards but huge economies. Premature or not, he suggests that Britain should give up its permanent

seat in the Security Council to India. But we want to provide scaffold to the tottering structures as the original loyal imperial Sepoys.

We find that the discussion and debate in the media after the Bill has been approved by the Cabinet is regarding, “ Education Market”, “Education Business”, “Returns on Investment”; “Selling of the Brand” etc. Unfortunately, nobody talks about learning; knowledge and academics. Education has become like the branded candy or soda to be “sold”, “marketed” and “distributed.” It is not anymore imbibing knowledge; the quest

Foreign Education

attaining perfection or even professional development. The fastest growing sectors of the Indian economy are Construction/ Trade/transportation/hotels and Restaurant/Education and health. Many of these areas are growing at more than 8 percent CAGR in the last decade and that is the main reason for the interest of global companies/institutions to get into these activities. It is simply about our ability to show our power and self-respect.

Basically, we need to be extraordinarily pro-active if we want to be a player in this Globalization game. Incidentally, maximum number of human beings has been slaughtered by many isms' (Nazism /Fascism/ Communism etc) of Europe in the last century. We should make the West feel continuously and constantly guilty and keep them as accused.

Some abuses, some aggression, some tantrums, some threats, some childish behaviour, some anger, some shouting on a regular and continuous basis is to be done. Then and then only it would be a two-way street and after all we have been much more "Global" in terms of our civilisational past. We have given "space" to invaders and marauders and

also to many persecuted and oppressed groups like Jews, Parsees etc from all over the world. Our trade with East Asia was thriving, much before the modern European history started. Hence, we are not new to this globalization business. We should make it clear that India is not just a market but a living civilization. We need to play our cards, with a healthy contempt about other players. In other words, we should start setting the global agenda. Take it or leave it. That is it.

We have given "space" to invaders and marauders and also to many persecuted and oppressed groups like Jews, Parsees etc from all over the world. Our trade with East Asia was thriving, much before the modern European history started. Hence we are not new to this globalization business.

More important point that the Globalizing crowd does not realize that in every class in higher educational institutions in India we have at least 6 to 8 languages and at least four to five religions and multiplicity of castes and regions are present. In other words, India itself is a big global melted pot. Also to note that European or American students are not going to rush to our class rooms because we have opened it up to foreign universities. It will be Indians who will crowd these places at exorbitant fees.

Existing Institutions of Higher Learning

What about existing institutions of higher learning? Will they not benefit

by completion. There are two types of existing institutions. One is Government owned /funded institutions like NIT/AIIMs/IIT's/IIMs etc. Unfortunately, these institutions are to compete with both hands tied since they are not permitted to set up centres abroad including nearer location like Singapore or Dubai. Also they are governed by all Government regulations pertaining pay/perks and reservations. These institutions are starved of funds by the Government of India and currently they are not provided any money for non-Plan expenditure and they are asked to raise money to meet their expenses. On the Plan side, funds are scarce and expansion etc are put on hold. It is not what one would call a level playing field. As far as the private institutions are concerned, many may try to jump in to the arena by having collaboration with some university from abroad. For, these middle men or brokers will be active for a fee. Some of the foreign Universities may go for the hundred percent routes in which case these private institutions will fall by the way-side.

Unfortunately, private universities have not been encouraged in India and

the current system in many Government universities at the state level is predominantly governed by two c's namely Caste and Corruption. What should be done is to encourage competition from within by allowing private universities to be started by local efforts and then over a period of time make them expand in other countries. It should be the other way round - we going outside.

The oft-repeated sermon of keeping our windows open is passé since our entire house has been pillaged and plundered by the West for more than two centuries and so there are no windows to keep open. Anyone with vague acquaintance with the book of Will Durant titled *The Case for India* will realize about what we are discussing.

Also to note is the fact that Europe has not opened up nor teh US nor China. Only we are rushing to. Here comes the issue of the colonial genes and how much it will create an uneven competition with existing domestic institutions.

Quality Institutions

The other clamour is that the best institutions should only be allowed to enter. Who is going to decide? Is it

Unfortunately private universities have not been encouraged in India and the current system in many Government universities at the state level is predominantly governed by two c's namely Caste and Corruption.

Foreign Education

going to be the apex regulatory authority? We all know about the functioning of AICTE about which even the current minister has passed critical observations. Given the lax nature of our regulatory system and pervasive corruption it would be a herculean task to think of keeping out the so-called mediocre institutions. Also mediocre institutions will have fixers and brokers working for them and will claim to operate from small towns to enhance inclusive growth.

If there is a talk by a White plumber from New York—claiming him to

be renowned expert - organized by a trade body in Mumbai or Delhi about Indian economy will our elites through the auditorium or not?

Some of the 'experts' from the multi-lateral institutions or from US / Europe are masquerading as 'economists' or 'analysts' or 'financial experts' etc. How many of our government bodies/ other institutions really go through the CV of White persons for meetings/consultation etc.

In any major institution in India — any one educated in Tall Mountain or Deep Sea University from abroad is considered for appointment compared

to better candidates who have studied in Indian universities. It is assumed that the quality is better if it is West. Same is true of journals - publish in third rate journals but from abroad then, you are considered an expert.

If a research finding is coming out from even an obscure Western institution then it will get good press coverage compared to our own institutions. So is the case of funds /sponsorship etc. Under

The other clamor is that the best institutions should only be allowed to enter. Who is going to decide? Is it going to be the apex regulatory authority? We all know about the functioning of AICTE about which even the current minister has passed critical observations.

such a situation it is going to be impossible to adhere to quality in terms of choosing institutions. That is due to our colonial genes.

Why Different Norm for the Media Sector

In the context of liberalization (the other word for allowing Western institutions) the Press in India has been very unenthusiastic for opening up the media sector. One of the arguments is that the foreign media will have its own angularities in reporting and editorializing and it may not be in congruence with our domestic self-interest and perhaps may even hurt our sovereignty and integrity. Actually, the opening up of our educational sector to Western institutions can have damaging effects in the long term

since the future citizens of our country will be the target of “education” in a fashion and mechanism which will not be consistent with our ethos. They will be memorizing the failed models of the West and try to implement it here. From the point of view of inter-generational impact thus is more disastrous compared to opening up of the media sector.

We need to develop some sense of dignity and feel a healthy contempt for the other. Note that, it should be a healthy contempt born out of our innate sense of understanding of our civilisational role. We should be in a position to retaliate and aggressively stress our point and if needed stand steadfast till our view is agreed upon.

It is also important to note that many of the private institutions in the UK and the US are ultimately owned by some church and some of them even do not believe in Darwinian evolution. They could be major destabilizing presence in the context of global decline of Abrahamic faiths since the major market for church currently is Asia.

The nineteenth century was that of Europe and twentieth was that of the US and the current one is an Asian century belonging to India and China. As pointed out by Niall Ferguson in an article in Foreign Affairs that the fall of the US empire can and will be sudden

and the decline of empires do not take decades but can happen in years.

In that context when the West is over; the role of India which belongs to the rest is to start educational institutions in Europe and the US with the network of Bharathiya Vidya Bhavans and Rama Krishna Missions and other linkages. It is important the knowledge of the East in energy conservation, eco friendly development, non-invasive medicine, vegetarian food and various other dimensions are brought to the West than the Indian students made to devour moth eaten ideas of the West. Incidentally, it took more than four centuries in Europe to settle the debate whether women have soul and that is their legacy. The entire new wave of work /life balance can be taught by India to the West. Let us understand that India is a civilization and not just a market.

It is up to the Parliamentarians to decide what India wants and what they would like to leave for the future generations. One only wishes that some Gandhian institution will distribute copies of the original Hind Swaraj to our Parliamentarians to understand that we are proud of the children of Nalanda and Takshila and do not measure the quality of our life by the retail footfalls or soda consumption. ■