

SUNRISE SECTOR

India's private education sector, currently estimated to be worth \$40 billion, is projected to triple in about 10 years. Private groups, both domestic and international, are setting up vocational training, IT training and teacher training programmes, and new campuses are expected to come up across the nation over the coming months, says **Nayantaraa Lama**.



MODERN INFRASTRUCTURE : New private universities like Amity offer excellent facilities for thousands of students

THE entry of private players is transforming the Indian higher education sector. In the past, many students, even after scoring as high as 80 per cent in their school-leaving examinations, would find it difficult to get admission in select courses in public universities.

But with private – and deemed – universities having come up across the country, these students have options to pursue the course of their choice. Plus, there are a variety of courses to choose from, as the private varsities are quick in adapting to the demands of the rapidly growing economy.

The partial opening up of higher education has led to the emergence of many private universities. These include Amity in Noida, Uttar Pradesh, on the outskirts of Delhi; Manipal in Karnataka, which in

Our mission is to ensure that every student becomes a success story.

Last year we gave scholarships worth \$5.64 million to students.

fact is one of the oldest private universities in the country; the Eastern Institute for Integrated Learning in Management University, Sikkim; the Institute of Chartered Financial Analysts of India (ICFAI) in Dehradun, Uttarakhand; the University of Patanjali in Haridwar, Uttarakhand; the Dr. C.V. Raman University in Chhattisgarh and a host of others.

“When I cleared my class XII with a little over 80 per cent marks I decided to opt for B Tech in Electronics and Communication in Amity University,” notes Sahil Pandey, a student. “I am in my third year now and feel that it was the right decision.

The infrastructure and faculty match the best in the world.”

With higher education costs soaring – not just in India, but even globally – the entry of private varsities has become inevitable. The Indian Government provides over \$4.51 billion in subsidies to higher education institutions, mostly in the public sector.

However, escalating demand for higher education is leading to a sharp mismatch in demand and supply. Private universities are hoping to fill in the breach, but their fees are much higher. Consequently, a growing number of students are now opting for educational loans.

Public-sector banks disbursed educational loans amounting to \$4.46 billion in 2007-08 to over 12.51 million borrowers. Both public and private banks are now offering higher educational loans, even funding overseas education. Some of the private players are tying up with banks, offering education loans.

Amity University, for instance, has arrangements with leading banks, offering loans to students with quick processing and easy repayment options.

Says Dr Ashok K Chauhan, founder-president, Amity University: “Our mission is to ensure that every student becomes



WIDE CHOICE : Private varsities offer several courses a success story. Last year scholarships worth \$5.64 million were given to encourage meritorious students.”

About 60,000 students are pursuing over 130 programmes at the university, which is spread over 700 acres in multiple campuses. Wireless, broadband internet, air-conditioned classrooms and rooftop restaurants are just some of the facilities.

Manipal University, another leading private varsity, has students from over 50 countries studying at its various campuses. It has 20 constituent colleges

DRAMATIC RISE : Higher education will see major changes with the entry of international players





MODERN FACILITIES : New universities offer the latest amenities to students



MUMBAI UNIVERSITY : There is a huge unmet demand for higher education in the country

that offer over 180 courses across 13 streams including medicine, engineering, allied health, pharmacy, life sciences, management, mass communication and hotel management.

India has nearly 370 universities and 18,000 colleges, 500,000 teachers and the third-largest system in terms of enrollment with more than 10 million students.

The education and training sector in India is valued at \$40 billion with a potential CAGR of 16 per cent over the next five years, according to CLSA, a leading Asia-Pacific research consultancy.

Interestingly, many international universities – from the US, Europe and Australia – are eager to set up shop in India, as they see tremendous growth

Private education will boom into a \$120 billion sector over the next decade, attracting a huge inflow of foreign direct investment.

opportunities in the country. They are awaiting the firming of government rules relating to foreign direct investment in the higher education sector.

According to analysts, India could emerge as the world's largest market for foreign universities, as there is a significant unmet demand for higher education.

In the public sphere, the government has prepared a blueprint for setting up 14 world-class universities. These would be in addition to the 16 central universities that have got approval.

The prospects of higher education in India seem bright, even as it provides a favourable view of India's long-term talent and skill advantage. 🇮🇳



MEETING INDUSTRY NEEDS : Private universities offer a variety of courses, catering to the diverse needs of the rapidly growing economy

BRIDGING THE DEMAND-SUPPLY GAP

TREMENDOUS growth in several sectors of the Indian economy has led to a huge demand for qualified personnel. Sectors like banking and financial services, civil aviation, information technology, biotechnology, retailing, education, real estate and infrastructure development, media and entertainment and healthcare are growing at impressive rates.

Many of these sectors are facing a shortage of qualified personnel. Top companies in these sectors are now investing huge sums in setting up academies and institutes to train youngsters; those graduating from these courses are then absorbed by the firms.

Pune-based Bharat Forge, for instance, has been actively pursuing tie-ups with leading institutes, enabling its employees to get formal degrees. The Birla Institute of Technology & Science, Pilani (BITS, Pilani), conducts a degree course equivalent to a BE for the company's employees.

The company has also collaborated with Warwick University for post-graduation in manufacturing management. The world's second-largest forging

company is keen on establishing a campus in a special economic zone (SEZ) in a tie-up with the British university.

Other companies and groups – including Larsen & Toubro and the JK Group – are also offering educational and training programmes to students and employees. Thousands of Indian students go abroad every year for higher studies. They spend almost \$5 billion a year in overseas campuses for tuition fees and other expenses.

Top American and European universities now want to offer the same courses in Indian campuses and are waiting for the government to finalise its policies relating to FDI in higher education.

Many universities are already in talks with state governments for allocation of land and other facilities. States like Maharashtra, Karnataka, Andhra Pradesh, Gujarat, Haryana, Punjab and the Union Territory of Chandigarh are keen on setting up 'education cities' or special economic zones (SEZs) for higher education service providers.

Analysts expect private education to boom into a \$120 billion sector over the next decade, attracting a huge inflow of FDI, besides significant investments from

the domestic private sector. Technopak projects that the \$40 billion private education sector will triple by 2018.

The huge potential in the sector is attracting international companies, eyeing the training segment and offering systems and support services. Pearson Education, part of the UK-based publishing group and McGraw-Hill are among those offering teaching aids, language tuitions and examinations.

Domestic companies like Educomp Solutions Ltd have been providing distance learning aids to thousands of students across the country. The Delhi-based company recently acquired a 51 per cent stake in US-based e-learning firm Learning.com for almost \$25 million. Earlier, the company acquired Ask n Learn of Singapore.

According to Shantanu Prakash, managing director, Educomp, "Our investment in Learning.com is to leverage our proven competencies in developing innovative web-delivered curriculum solutions."

Private equity funds are also eyeing the potential for growth in higher education in India, which is fast emerging as a sunrise sector.