

supported by private money but go further when they can add public money. Research and graduate education are examples.

In much of Asia, decades of reliance on private higher education for the bulk of enrollments supported access but left concern over quality and breadth, providing a strong rationale for public funding to enable the private sector to reach the next level. In the Middle East, a number of governments have joined local private (and sometimes international) actors to launch a private sector, even if no plans exist for permanent public funding. An overlapping rationale can be to provide higher education opportunity so as to limit high rates of studying abroad.

THE US MODELS

Most of these rationales have long affected the US system. The US case constitutes the largest fountain of ideas and precedents. Two types of funding dominate at the national level, though often with a strong echo at state levels.

First, regarding research, almost wherever major costly research has been carried out at private universities, public funding has been essential. Leading US private research universities often outdraw public university counterparts in winning federal research funding. In Latin America, Brazil and Chile represent the foremost examples of open competition for public research funds. Similarly, they and other countries in the region have rewards for productive professors regardless of whether they are at public or private institutions.

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Second, regarding students, the other major type of US public funding subsidizing private higher education is student grants and loans. Students are eligible as long as their institutions are accredited; this funding applies even to for-profit institutions. The grants and loans are usually needs-based and go hand-in-hand with access and efficiency rationales. The idea inspires international applause (at least where *not* extended to for-profit institutions). While still a limited reality, such forms of student funding could be introduced if feasible domestic modalities for loan repayments are found. Thailand is an example of where income-contingent loans have recently been established (along with grants-in-aid) for private higher education.

It is unknown how far public funding of private higher education will extend internationally or in what forms. Some of the pertinent policy issues show parallels at the primary and secondary education levels. Public funding of private higher education remains unusual internationally, but changes in public policy may occur. ■

Private Deemed Universities in India

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Though the third-largest system in terms of enrollment, with more than 10 million students, India has almost half of the world's institutions of higher education—almost four times more than in the United States and Europe and over seven times the number of institutions in China. Most of the 18,000 institutions in India are colleges and only around 370 are universities. While universities award their own degrees, the colleges award degrees through the university to which they are affiliated. Only 120 of the 370 universities are the affiliating type, the rest are unitary with no affiliated colleges. Academic degrees in India can only be awarded by a university. Both the national Parliament and the state legislatures can authorize the establishment of universities. In addition, the national government can grant “deemed university” status to an institution initially founded as a private or public college.

The distinction between a private and public institution in Indian higher education is somewhat blurred. 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. However, some private institutions (both universities and colleges) are government supported and highly regulated. Though technically private, these are *de facto* public institutions. Hence, private institutions here include only institutions that are set up by private promoters and do not receive government funding.

PRIVATE GROWTH

Over the past 20 years, the higher education capacity in the country has increased largely through private institutions. Currently, 43 percent of institutions and 30 percent of enrollments are in the private sector. Among the countries for which information has been gathered by the Program for Research on Private Higher Education (PROPHE), India's level of private enrollments exceeds 35 countries and trails just 12.

Until recently, these private institutions consisted mostly of colleges. These private colleges are subject to government control via the public universities with which they are affiliated. They lack the autonomy to offer new programs, innovate curricula and evaluation, or change policies in matters of admissions and fees. Many people believe that the affiliating structure is a bane on Indian higher education. However, the affli-

ating system did ensure rapid expansion, while maintaining the sanctity of admissions and fees. Wherever academic supervision was effective, it also ensured minimum standards were maintained.

By the mid-1990s, promoters of private colleges saw the regulatory control of the affiliating university and state governments as cumbersome, impeding the full utilization of the colleges' market potential. Thus, they wanted university status to wriggle out of control of state governments and the affiliating universities. This resulted in the proliferation of private universities and private deemed universities. Now state legislatures have established 10 private universities and 70 private deemed universities.

Debate over private universities has continued for more than a decade. In 1995, the Private Universities (Establishment and Regulation) bill was introduced in the Parliament. While a central legislation for private universities is still pending for want of a consensus, several state governments have established private universities through state legislation. Today, there are 10 private universities in Indian higher education.

PRIVATE DEEMED UNIVERSITIES

To ease the pressure of central legislation over private universities, the government began liberally granting deemed university status to private institutions. The transition from private college to private deemed university is now a new and growing trend.

Earlier, the deemed university provision that empowered an institution to award its own degree was sparingly used to allow leading institutions to offer programs at an advanced level in a particular field or specialization. The Indian Institute of Science in Bangalore and the Indian Agricultural Research Institute in Delhi were the first two institutions to be declared deemed universities in 1958. This number increased to 29 in 1990/91 and 38 in 1998 and now stands at 110. Most of the post-1998 deemed universities are private.

Initially, only public and government-aided institutions became deemed universities. In 1976, the Manipal Academy for Higher Education, a pioneer in private higher education, became the first financially independent institution to be declared a deemed university. In 1998, to encourage the development of educational opportunities in emerging disciplines the procedure was changed to favor new institutions.

Granting deemed university status, particularly using the new provisions, raised many issues. The process was temporarily suspended in 2002, and efforts were made to frame more stringent guidelines, which the government, however, did not approve. In 2005, attempts were also made to increase the transparency of the process by introducing a screening system, but this initiative was also abandoned. The somewhat opaque and arbitrary granting of deemed university status leads to a perception that the process is susceptible to political manipulation. Meanwhile, the number of private deemed universities continues to increase.

Between 2000 and 2005, 48 institutions including 26 private ones were declared deemed universities and 107 proposals were pending. By the end of 2005, there were as many as 93 deemed universities; this number now stands at 110. Besides 17 public regional engineering colleges that became deemed universities and were renamed National Institutes of Technology, only an insignificant number of public institutions have been declared universities. A large proportion of the private colleges seeking this status are in Tamil Nadu and Maharashtra, states with the highest proportion of private colleges. A history of political patronage to private initiatives in these states is said to account for the institutions' success in acquiring deemed university status.

For most successful private colleges, the deemed university status represents a worthwhile pursuit. For one thing, the government control via the affiliating public universities does not

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apply to deemed universities. Colleges that have maintained a certain degree of control through self-financing gain a higher level of freedom through deemed university status. They enjoy freedom in matters of fees and admissions. Thus large non-refundable deposits are the norm for gaining admission, and tuition fees tend to be high.

Private deemed universities are mostly run by powerful families that either play an important role in politics themselves or earn political patronage by dispensing favors, like preferential admissions. They wield great influence in shaping policy on private higher education, for the purpose of consolidating their own operations.

Deemed universities obtained many concessions from the University Grants Commission and the government. Such institutions can now use the term "university" in their title and initiate teaching programs at both the undergraduate and the postgraduate levels in disciplines of their choice. This brings them on par with public universities.

Most private deemed universities operate in low-risk, high profit fields that essentially train the workforce of the future—with a few exceptions such as the Birla Institute of Technology, Pilani, and Thapar University (earlier Thapar Institute of Engineering and Technology), Patiala. While many of these institutions are of decent quality, they rarely focus on postgraduate education and research. Many of them generate enough surplus funds not only to meet their operating expenses but also to expand and improve infrastructure and facilities.

CONCLUSION

In reality, while some private deemed universities are innovative and entrepreneurial, meeting market demands, they are also susceptible to cutting corners on infrastructure or staffing and indulging in unfair practices in matters of fees and admissions—to increase profits. Overall, the policy on private deemed universities is so ambiguously spelled out that less-reputable ventures have come to dominate.

Though small in numbers, private deemed universities would increasingly shape the future of private higher education in India. Even the foreign institutions would be given deemed university status under the proposed Foreign Educational Institutions (Regulation of Entry and Operation, Maintenance of Quality and Prevention of Commercialization) Bill currently under consideration.

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Higher Education Crossing Borders in Latin America and the Caribbean

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Foreign education activity has become a relatively recent but rapidly growing phenomenon in Latin America and the Caribbean. The past few decades have seen a surge in external tertiary providers within a region once largely overlooked as a site for transnational higher education.

OPPORTUNITIES AND RISKS

There is a growing flurry of foreign education activity in Latin America and the Caribbean. Branch campuses have been set up by European and US-based institutions, such as the Universities of Bologna (Italy) and Heidelberg (Germany) and Endicott College (United States), just to name a few. The growing diversification of actors suggests that not only Spanish- and

Portuguese-speaking providers see a potential for operating in the region. While still a modest trend, the market for foreign online and distance learning is attracting interest, particularly in regions such as the Anglophone Caribbean. The number of for-profit providers has also been on the rise, with the US giants Sylvan/Laureate and the Apollo Group as the forerun-

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ners of expansion. The number of students in the region in transnational programs, while currently modest, is expected to undergo expansion.

However, transnational higher education continues to encounter a mixed reputation in the region, with widespread concerns over the quality and relevance of provision. Cases of low-quality or "fly-by night" operators has prompted some countries like Argentina, Brazil, and Colombia to impose relatively strict requirements on foreign institutions. Language constitutes an obvious barrier. Domestic institutions do not seem to be offering many courses taught in English, and inadequate language skills remain a barrier for a major proportion of Latin American students seeking to study in English, at home or abroad.

There is a growing trend toward the "Latin Americanization" rather than "transnationalization" of higher education. A number of the regional countries (e.g., Mexico and Chile) have begun to export transnational programs, in response to an attempt to internationalize the "Latin American way." A number of the countries have expressed a desire to attract foreign providers exclusively from within the region. In Ecuador and Bolivia, for example, nearly half of all external providers are from South America, mainly Chile, Brazil, Colombia, and Argentina. The Latin Americanization model could impact the market entry of external tertiary providers—supporting those able to integrate into the local system and improve perceptions of the developmental impact of foreign higher education delivery.

MAJOR PLAYERS AND PROVISION

The vast majority of foreign institutions in Latin America and the Caribbean have linguistic, cultural, or historical links to the region. Spain continues to dominate the market. Latin American institutions are also becoming increasingly active in the region, in line with the broader Latin Americanization trend. The Instituto Tecnológico de Estudios Superiores de Monterrey, in Mexico, is the most active Latin American transnational provider in the region. It has learning centers in five regional countries and operates a virtual university enrolling over 12,000 students throughout the Americas.