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An Analysis of Demand for Foreign University Campuses in India

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Abstract

Students going abroad for education is not a recent phenomenon but the number of students leaving the country for higher education overseas indicates that cross-border education has become more prominent in recent decades. As per the data submitted by the education ministry in Parliament in February 2023, the number of Indian students going abroad for higher education stood at 7,50,365 in 2022. This is 68% higher compared to 4,44,553, students who went abroad in 2021. This tendency of young productive minds to seek education abroad and even settle there impacts the country on several fronts and the economic challenges this poses are significant. India is currently facing a serious brain drain as more students prefer to get settled abroad. To address this rampant movement of students and to reduce the economic threat that migration puts on India, an attempt is being made by the University Grants Commission to permit well-known and highly ranked leading foreign institutions to set up international branch campuses in the country. This research investigates the factors that influence students to move abroad and forecasts the demand for foreign universities when opened in India. The study collected responses from 110 students from an opinion poll survey through google forms. The data collected were analyzed using cross-tabulation which identified exposure, quality of education and better employment opportunities as major reasons to migrate. Additionally, it also revealed that the demand for foreign universities will be less in India.

Keywords: International Branch Campuses, Foreign Universities, Student Preference, Higher Education, Exposure, Quality of Education

Introduction

The cross-border movement of people became more prominent after the onset of globalization in India, resulting in growth in the international movement of Indian students. In India cross – border movement of students has been taking place for many decades. This began during the colonial rule in India which facilitated the migration of a good share of students abroad. After independence, the Indian government through the Indian Council for Cultural Relations also became instrumental in facilitating the movement of students abroad. Today, as per the OECD International Migration Outlook 2022 India is marked as one of the top countries which supply 10% of international students.

Cross-border education or seeking education abroad has been around for decades in India. However, in the earlier decades those who pursued education abroad returned to the country and contributed to its development in more direct ways than is witnessed today. India faced real brain drain when technically and highly trained skilled Indian students showed an increasing tendency to leave the country and settle abroad for a variety of reasons like job satisfaction and career advancement which were perceived to be much better abroad.

They predominantly migrated to countries like the USA, Canada, United Arab Emirates, Australia, the United Kingdom and Germany. Today the tendency is to go abroad seeking better opportunities for higher education. The estimated data of Indian students studying abroad shows that almost 4,65,791 Indian students are in the US, 1,83,310 are in Canada, 1,64,000 in UAE, 1,00,009 in Australia, 55,465 in the UK and 34,864 in Germany ([Ministry of External Affairs, 2022](#)). ([Wilkins et al., 2012a](#)) says that this type of movement is more beneficial for the host countries as it adds more human capital and also serves as a new source of income for them. To address the adverse impact that student migration puts on the home country, many countries like China, UAE, Singapore, Malaysia and Qatar are major importers of international branch campuses. Currently, there are over 333 international branch campuses worldwide (C-BERT).

As per the Cross Border Education Research Team (C-BERT), international branch campuses are an entity that is owned and operated in the name of the foreign higher education provider that provides academic programs as well as awards degree equivalent in status to that of the main campus. Opening doors for international branch campuses also has the potential of setting up a knowledge based economy. They can also act as a spur to institutions here to improve their standards and infrastructure so as to be competitive and not lose students and teachers by remaining immune to quality considerations. Providing the best quality education through specialized programs provides succor to developing and developed countries by equipping people with new skills and establishing more technologies, innovations and research which bolster the local economy and creates new employment opportunities which are necessary drivers for economic growth. Thus, branch campuses have the scope of reducing outward movement of students which helps in saving the knowledge resources of a country, thereby helping the country become a self-reliant one.

The purpose of this study is to identify the factors that influence students to migrate abroad for higher studies and to determine where there will be a demand for foreign universities in India.

Experience of Other Countries in Opening up Foreign Universities

There is sufficient literature on student migration abroad and the factors that play a major role in influencing their choice of destination. Empirical research has been conducted in many host and source countries to understand the direction of movement in students. ([McMahon, 1992](#)) conducted a study based on the USA which is the destination of various source countries where the author says that the major influencing factors were the economic and cultural links between its source countries, availability of scholarships and other assistance acting as the pull factors for student migration. On the other hand ([Mazzarol, 2002](#)) conducted a study in Australia which has a high number of student migrants from China, India, Indonesia and Taiwan, says that course and career information, an environment conducive to learning, reputable degree, quality of the institution and cost of living as few other factors that influence students to move abroad. There are numerous factors that influence students' decision to study at international branch campuses.

[Wilkins et al., \(2012a\)](#) conducted several studies on students motivating factors for studying at international branch campuses and main campuses, their satisfaction with learning at international branch campuses and student recruitment to these campuses. The study conducted on "Student Choice in Higher Education: Motivations for Choosing to Study at an International Branch Campus", which was primarily based in UAE, finds that there are diverse factors that students consider before joining branch campuses, which are different for students who prefer learning at home campuses. The study says that when the reputation of the country, rankings of the institute, employment prospects and exposure, etc pull students abroad there are similar pull factors that induce students to join international branch campuses. These include their personal characteristics and convenience factors such as gender, nationality, reduced travel time and travel expenses, availability of similar programs in the branch campus, friends, family and social life tempt students to join the host country. Similarly, the attractions of the country are also a major factor that fascinates students. These are the safety protocols of the country, the conducive

learning environment of the country, culture and lifestyle. In their study on “Student Recruitment at International Branch Campuses: Can They Compete in the Global Market”, based on students in the UK, the personalities of the students, aspirations and family circumstances of the students are mentioned as a factor leading to overseas education. Additionally, the study also finds difficulty to gain seats in the home country was also a reason for students to move abroad. Moreover, students chose the institutions based on their rankings and the potential of the destination countries in improving the student’s skill in speaking English. It also observed that students prefer international branches because the tuition fees were low.

As more countries are opening international branch campuses it is also very important to the experiences of other countries which have pioneered the process of enabling the setting up of such branch campuses. [Wilkins et al., \(2012b\)](#) in their article “Student Satisfaction and student perceptions of Quality at international branch campuses in the United Arab Emirates” gauges the success of international branch campuses in UAE in order to ensure that the product offerings of the branch campuses are in par with that of the main campuses. The authors say that a branch campus must be able to replicate the facilities and operations of their parent campuses, in terms of the curriculum that is followed, quality and standards in the programs that are offered, teaching quality along with other elements including physical facilities, learning resources and social facilities. The study conducted among the students in different branch campuses in UAE showed that studying at the branch campuses in UAE were advantageous. Students were extremely satisfied with the effectiveness and quality of the program, teachers, learning facilities, technologies available and the social life they have.

The experience of UAE on opening branch campuses provides the idea that in order for an international branch campus to be successful it is necessary that these campuses must be on par with the main campuses in all aspects from the educational services that they provide as well as the infrastructural facilities that they offer. Also, it is clear that students prefer branch campuses on the

basis of their convenience and personal preferences rather than academic matters.

Demand for Foreign Universities in India

India in its New Education Policy (NEP) 2020 established the way for foreign universities to set up their branch campuses in the country. Thus, in line with the NEP 2020, the Union Grants Commission on 5th January 2023 initiated guidelines on the internationalization of higher education in India, facilitating top universities of the world to operate in India, with autonomy power to decide the admission procedure and fee structure. The main objective behind this intention is to give an international dimension to higher education in India, enable Indian students to obtain foreign qualifications at an affordable cost and make India an attractive global study destination. Besides this, the movement of students abroad is rising in India. As per the data shared in the Parliament nearly 7.5 lakh Indians joined foreign universities in 2022 which resulted in a massive outflow of over Rs 1,300 crore to finance their education. Therefore, curbing the migration of students is also a driving force behind the internationalization of Indian education.

India currently has a total of 1,113 Universities, 43,796 Colleges, and 11,296 Stand Alone Institutions (All India Survey on Higher Education, 2020 - 2021). Though there are numerous higher education institutions in the country, the Indian education system lacks efficiency and resources when compared to the system abroad. According to [Gupta, 2012](#)) an analysis of a government report says that two-thirds of India’s colleges and universities are below the standard. The article shows that India’s highest-quality institutions have severely limited capacity. [Wadhwa, 2016](#)) finds tough admission norms in higher education in India as an important factor that pushes students abroad. Apart from this, the funding for Research and Development activities for Indian institutions as well as the upgradation of infrastructure is inadequate, which acts as another push factor for migration.

According to The Center for World University Rankings (CWUR) which publishes year-wise rankings of all universities around the world, based on diverse areas shows that the position of

Indian universities has plunged over the years. The CWUR assesses the world's universities based on seven indicators like quality of education, alumni employment (university's alumni who have won prestigious academic distinctions relative to the university's size), quality of faculty (measured by the number of faculty members who have won prestigious academic distinctions), and research performance (measured based on the number of research papers published, research papers appearing in top – tier journals, papers appearing in highly influential journals and citations) without relying on surveys and university data submissions. CWUR data shows that the rankings of higher education institutes in India have declined gradually from 2014 till date. In 2014, the highest rank of an Indian university was 328, which dropped to 341 in 2015, 354 in 2016, and 397 in 2017 (Ahmad, 2018). This again fell from 415 in 2021 – 2022 to 421 in 2022 – 2023 (Center for World University Rankings). In gauging the major indicators like the quality of education, quality of faculty and alumni employment it is found that the performance of Indian universities when compared to other world universities is unsatisfactory. (Horstschräer, 2012) says that university rankings and measures of excellence are a source of information for prospective students in making choices regarding higher education. It is noteworthy that despite impressive numbers Indian universities do not figure at the top in the Center for World University Rankings. On top of that the employability, education quality and faculty quality in Indian Universities are seemingly weak when compared to that of foreign universities. Ultimately, students prefer to join abroad than in India as more opportunities are likely to be found there than in India. The perception of foreign Universities being better to their Indian counterparts in all important factors that propel students to seek an education is cemented by their consistent scores in ranking and the absence of Indian institutions in the impressive top bracket .

(Altbach, 2010) says that India's higher education system is inferior. It is extremely bureaucratic, poorly managed and provides inadequate quality for the majority of young people who would like to access it. There is also limited availability of premier

institutes in India which have reputed departments for any specific subject. Indian Institute of Science, Indian Institutes of Technology, All India Institute of Medical Sciences and Tata Institute of Fundamental Research are a few premier institutions available in the field of science. On the contrary, these institutes have limited availability of seats resulting in tough competition for admissions. Apart from this, these institutions are also given relatively poor acknowledgment at the international level. The presence of these constraints forces students to opt for overseas education. On top of that overseas institutes have better research-oriented facilities, laboratories and are distinguished with high quality of faculty members (Altbach, 2021).

Due to the existence of these barriers in the education system in India the Union Grants Commission has come up with a policy for creating an environment for foreign universities in India. Internationalizing Indian education is a favorable way forward as this will help reduce the excessive outward movement of students abroad which further aids in reducing the brain drain. Besides, opening satellite campuses will have numerous other benefits. First, it provides wider accessibility to foreign education for those students who are unable to access it for a variety of reasons. Second, the cost of studying on branch campuses will be less when compared to the main campuses as the UGC has directed foreign universities on framing a reasonable fee structure. Third, students will be awarded degrees that have the same status as those awarded by prestigious main campuses of the foreign universities. Such satellite campuses narrow down travel expenses, cost of living and high tuition fees which they have to spend otherwise.

Though the above factors indicate branch campuses to be advantageous to students in India, they are not devoid of shortcomings . First of all satellite campuses in India will not reduce the outflow of students as academics are not the only reason for migration. They also have the intention to eventually get settled abroad due to the various opportunities that are open for them. Moreover, students prefer foreign countries to experience living there, experiencing new cultures and also to learn different languages (Wilkins et al., 2012a). Aspirational factors founded on fascination of things foreign too are an inspiration

for moving abroad. Branch campuses will also be required to maintain the standard, quality and faculty provision on par with the main campuses which is another barrier that prohibits them from achieving success in India. Considering these limitations, this study, therefore, intends to realize whether foreign universities will have a successful market in India, through a primary survey.

Methodology

The study uses primary data which is based on an opinion poll survey. The survey was conducted among students in the five southern states where a total of 110 responses were recorded.

An Analysis on the Opening of Foreign Universities in India

A total of 110 students completed the survey, which included both Undergraduate and Postgraduate students. The study used an opinion poll survey to

determine the factors that influence students to move abroad as well as their decision on joining branch campuses. The survey was divided into sections for students who want to study abroad and students who do not want to study abroad. The questionnaire included 18 items which contained close-ended, open-ended as well as Likert scales. The questionnaire sought to identify the subjects who prefer to move abroad for higher studies and those who do not. This enabled the researcher to find out the responses of both sections of the students separately. The demand forecasting was done by asking about their willingness to join branch campuses. The data gathered from the questionnaire was subjected to frequency counts. The responses were initially quantified and then presented in percentage forms. A cross-tabulation analysis (using SPSS) was closely conducted to investigate the two subgroups. Table 1 shows the summary of student responses obtained from the survey.

Table 1 Summary of Student Responses

Categories	Respondents	Females	Males	Under Graduates	Post Graduates	Students preferring to learn abroad	Students preferring to learn in India
No. of responses	110	64.5%	35.5%	35.5%	64.5%	67.3%	32.7%

Source: Primary

Summary of the Findings

Tables 2 and 3 show the summary of the data collected from the study.

Table 2 Students' preference on higher education abroad

Among students who prefer going abroad
Important factors influencing students to move abroad
1. 95.5% say exposure
2. 97.2% consider better employment opportunities and quality of education
3. 47.2% quality of the program as an important factor influencing the choice of institution abroad
4. The most preferred program was the science
5. Most students consider foreign universities better than India due to: good research opportunities, better academic freedom, employment-oriented curriculum
Among students who do not prefer going abroad
1. 72.2% consider high cost of living in foreign countries to be the most influencing factor that hinders students from migrating abroad

(Source: Primary)

Table 3 Students' Preference on Joining Foreign Branch Campuses in India

Among Students who Prefer going Abroad	
1.	72.3% of the students do not prefer joining campuses in India
2.	25.5% prefer to join branch campuses because they believe that it can replicate similar quality and standards to that of the main campuses
Among Students who do not Prefer going Abroad	
1.	66.7% say that they will join branch campuses in India since they believe that it would be similar to the main campuses in terms of: quality of teaching, curriculum followed, courses offered.

Results

From the cross-tabulation conducted on the category of students who prefer learning abroad and their opinion on choosing branch campuses, it was observed that a total of 72 students who consider the quality of education abroad as an important factor for their migration, 54 students prefer to get their higher education abroad in spite of having a branch campus in India. Only one respondent who considers the quality of education not an important factor accepts to join in Indian branch campus. A similar observation

was also found for better employment opportunities abroad and preference for the main campus over the branch campus. When considering exposure, 48 respondents who prefer to move abroad for exposure said that they would prefer to join main campuses even if branch campuses are opened in India while only 14 respondents who consider exposure as a major influencing factor to pursue higher education choose to join branch campuses. This is shown in Table 4.

Table 4 Summary of Cross-Tabulation on Factors Influencing Students to Move Abroad and Students' Preference to Join Main Campuses Even if Branch Campuses are Opened in India

Rankings	Quality of Education		Better Employment Opportunities		Exposure		Total No. of Students Preferring to Join Abroad
	Yes	No	Yes	No	Yes	No	
Important	54	18	54	18	48	14	74
Not important	1	1	1	1	7	5	

(Source: Primary)

Cross-tabulation was also done on students who do not prefer to go abroad. components namely the reputation of the institute, reduced tuition fee, quality of teaching, curriculum followed by the institute, and quality of the course offered by the branch campuses were taken under consideration. It showed that 15 students who would join branch campuses consider reputation as a strong influencing factor while 8 respondents say reputation has only a small influence on their decision. Out of the 24 students who do not wish to go abroad but will join branch campuses in India, 10 students consider reduced tuition fees (in comparison to main campus), as a highly influencing factor to join branch campuses while 12 students

consider reduced fee structure as an influencing factor only to some degree. Cross tabulation done with the quality of teaching and the students who prefer going abroad showed that 16 students strongly consider the quality of teaching in the branch campuses as a highly influencing factor to join branch campuses while only 8 states that there is a moderate influence. When the curriculum is considered, it was noted that 17 students highly consider the curriculum followed by the branch campuses before taking admission there. A similar result was also obtained for cross-tabulation on the quality of the course offered by the branch campuses. This is shown in Table 5.

Table 5 Summary of Cross-Tabulation on Factors Influencing Students who do not want to Move Abroad but Prefer to Join Branch Campuses

Rankings	Curriculum		Reduced tuition fee		Quality of course		Total no.of students preferring to join branch campuses
	Yes	No	Yes	No	Yes	No	
Consider	6	0	12	0	7	0	24
Neutral	1	0	2	0	0	0	
Strongly consider	17	12	10	0	17	0	

(Source: Primary)

Conclusion

This study found that a huge number of students prefer to migrate to other countries because they believe that the quality of education provided abroad is better when compared to India. Moreover, they feel that the academic structure that foreign universities follow is highly employment-oriented and the quality of the staff is much better in foreign universities than those in India. Besides, students also hold the opinion that foreign universities are much better in terms of the research facilities or opportunities and academic freedom that the Indian universities lack. Further, it is also found that a large number of students consider better employment opportunities, exposure and quality of education as the major country attractions as influencing factor to move abroad. It was also found that students who want to go abroad prefer to join branch campuses only if the quality of courses that are offered in the branch campuses are of exceptional quality. Apparently, the study conducted among students who do not prefer to go abroad for higher education, finds that students will join branch campuses because they believe that the quality of teaching, curriculum followed and the quality of the course offered by the institutes will be a replication of the quality parameters followed in the main campuses.

This study, therefore, reveals that the demand for foreign universities in India will be low as a high portion of the respondents prefer going abroad. It is noticed from the survey that most students prefer to go abroad not only for academic purposes but also to meet their non-academic needs which are exposure to new cultures, learning new languages, improving their skills, enhancing knowledge about other societies and to experience a different lifestyle. It is also found that students consider foreign education as a step to satisfy their goal of settling abroad.

The International Migration Outlook 2022 also mentions that international students have long-term employment rates in the host countries, which is the prime reason that pulls students abroad. The study, therefore suggests that students who prefer learning abroad may still choose the same even though branch campuses are opened in India. This is because the non-academic motives of students, namely exposure will not be met if they choose to join the international branch campuses in India. It is also understood from the study that few students prefer joining branch campuses, taking into consideration the additional benefits that they would get, especially less tuition cost compared to the main campuses, reduced cost of food and accommodation and less travel and health expenses.

Furthermore, this study also gives insights into various other aspects of opening branch campuses in India since there is uncertainty on whether foreign branch campuses can function on par with the main campuses. Therefore, it does not guarantee to satisfy the needs and desires of the students who prefer to join branch campuses, particularly in ensuring good quality of education, provision of well-qualified staff and the course provided by the institute. Moreover, exposure and employment opportunities play a major role in attracting students to go abroad, thus the feasibility of branch campuses in India is still a question. This study, therefore, suggests that it would be premature to assume that opening of branch campuses of foreign universities in India would appropriately address the issue of “brain drain” or human capital erosion in the country. The aspirational factors which normally inspire students to migrate might continue to be dominant at least in the foreseeable future.

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