

HIGHER EDUCATION IN THE BRIC COUNTRIES

A POLICY DIGEST



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INTRODUCTION

HIGHER EDUCATION IN THE BRIC COUNTRIES

The collective strength of Brazil, Russia, India and China, collectively referred to as the BRIC countries, are increasingly significant to the global economy. Whilst many western nations contend with significant budget deficits, slow or no growth and high levels of unemployment, the BRIC countries are expanding and in doing so they are driving the global economy. This marks another step in the transition of economic power from 'west' to 'east'.

The BRIC economies are forecast to account for 37% of global growth in the period 2011-16, with China alone contributing 22%. This will increase the BRIC country's share of global economic output from 19% to 23%.

The digest explores the rising research star that is Brazil, the very gradual unfurling of a new, less controlled and closed Russian higher education system, the rapid emergence of China as a major global higher education player and the huge demand in India for higher education set alongside a system that is struggling to coherently service a growing, youthful and aspirant population. These nation states offer up important insights in to the future of global higher education.

We believe that at the core of an 'agile university' is a deep curiosity in global higher education development. This digest intends to support that aim through fostering improved 'strategic understanding' that will inform more coherent strategic planning and adaptation.

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BRAZIL

POPULATION:	194 MILLION
GOVERNMENT:	FEDERAL PRESIDENTIAL CONSTITUTIONAL REPUBLIC
GDP (PER CAPITA):	\$12,079
NUMBER OF HEIS:	2,322 INCLUDING 191 UNIVERSITIES
NUMBER OF STUDENTS:	6 MILLION

CONTEXT AND TRENDS

PRIVATISATION

One of the most notable transformations in Brazilian higher education has been the emergence of privately run institutions. Private higher education institutions now make up approximately 90% of the Brazilian HE system and there is a near 50-50 split between public and for-profit universities. The increasing private sector involvement in Brazilian higher education marks a significant change in policy. Little over 15 years ago, higher education in Brazil was almost entirely provided by the state, with the government at that time overtly sceptical of private involvement in education. However, since the late 1990s, there has been a dramatic shift in this stance, with over 2,000 private higher education institutions opening including 91 private universities. This change in policy direction - some would say ideology; perhaps best illustrates the increased 'Westernisation' of Brazilian higher education.

Private sector involvement in the Brazilian higher education system has contributed significantly to the expansion in capacity. Brazil's student numbers have tripled in just a ten year period from two million to six million, whilst three in four of secondary school students go on to some form tertiary education. These impressive numbers reflect a concerted effort by the Brazilian government to provide higher education to the mass market. However, in spite of the increase in student numbers there are emerging issues faced by Brazil amidst the continued growth of the private sector. Most centrally this involves the capacity of and access to public (state funded) universities, widely regarded as the best higher education institutions in Brazil.

SOCIAL INJUSTICE

Whilst the rapid growth in private higher education institutions has allowed increased access, Brazil has had to grapple with issues regarding student enrolment in public universities. Many public universities have long been regarded as exclusive to a narrow demographic of students who have the opportunity to access the best secondary schools and who generally come from more affluent backgrounds. This legacy of elitism has created particular social justice challenges for Brazilian policymakers to contend with.



The main issue centres on a divide between student enrolment in public and private universities. The problem, in short, is that young people from less privileged and ethnic minority backgrounds, who have often attended poor secondary schools, most commonly have to enrol at private universities which require the payment of tuition fees if they want to continue onto higher education. However, public universities most commonly enrol prospective students from more affluent backgrounds, with access to a better quality of secondary education, yet are not required to make any form of tuition fee payment. This perceived inequity acts to reinforce historically underpinned social divides between rich and poor in Brazilian society.

Whilst it should be noted that those from less affluent backgrounds in Brazil can now access some form of higher education – a previously unattainable aspiration - the social mobility of the poorest is still limited given the lack of opportunities to reach Brazil's leading public institutions.

CAPACITY VERSUS QUALITY

The rapid expansion of Brazilian higher education has achieved a three-fold increase in student numbers over the past ten years. However, as more and more higher education institutions have established in Brazil, the disparity in quality between institutions has been exacerbated. This is now a pressing issue for Brazil. The conflict between capacity and quality has been most acutely felt in Brazil's private sphere.

The pace of change in Brazilian higher education over the past decade has led to an inevitable lag between the expansion of the higher education system and the governance and regulations in place to maintain and improve quality. In many ways this is an unsurprising trend in Brazil. The last decade has seen the expansion in capacity as the primary objective of policymakers in Brazil. A focus on quality seems a relatively new phenomenon. The last decade has seen an intensification of market forces in the private sphere of higher education. However market inefficiencies, and in some cases exploitative practices, have produced inconsistent, sometimes poor quality in many private institutions.

There have been concerns that for-profit universities have been taking advantage of the burgeoning demand for a university education by providing sub-standard courses with little or no prospects for employment after the completion of study. One of the central drivers of demand is the differential in potential earnings between graduates and non-graduates. Graduates in Brazil earn 156% more on average than non-graduates, the highest differential in the world. Whilst these figures highlight the 'value' of a degree in Brazil, the figures are susceptible to 'abuse' by profiteering institutions attempting to cash in on less privileged and potentially vulnerable young people.

Issues with quality in the Brazilian higher education sector have also been attributed to the lack of investment in primary and secondary education. Some commentators believe that the concerted focus on higher education has caused prospective students to be underprepared to



embark on a degree. The generally low level of secondary education has also been implicated in the high 'drop-out' rate in Brazilian HEIs of approximately 1 in 5 students. It would seem that Brazil has taken the decision to focus more closely on HE primarily for economic reasons. It is hoped that this focus on HE will help foster a more highly skilled work force which will help provide continued economic growth and diversification. However, limited investment in the 'grassroots' of the country's education system will continue to limit the numbers of high performing students and therefore impinge on the results and reputation of individual institutions and the sector as a whole.

Capacity is clearly a central challenge for the Brazilian HE sector situated in a nation with an emerging economy and an increasingly aspirational population. However, the increased capacity of the Brazilian HE system will not mask embedded quality problems. It is the quality of the HE system which will provide the skills and competency for economic diversification and provide a more sustainable and globally competitive HE sector.

HIGH QUALITY RESEARCH

One of the continuing success stories of Brazilian higher education is the quality of its research output. Brazil produces 2.7% of the world's research – the 13th highest globally. It is expected that expansion and investment in higher education is likely to see this figure rise further, with a place in the top ten seemingly assured in the not so distant future. Brazil shows particular strength and expertise in the research of natural resources, agricultural sciences, microbiology and pharmacology.

The research output of Brazilian higher education institutions is one particular area of potential for the sector. If Brazil can continue to improve research outputs, both in quality and quantity, then their higher education system is likely to have the 'edge' over other developing HE systems which would mark Brazil out as a significant player in a globalised higher education marketplace. This is central to the positioning and reputation of Brazilian higher education institutions at a domestic and international level.

Brazil is already benefiting from an emerging research-based economy and the export of knowledge. The city of Campinas, in relatively close proximity to Sao Paulo, has been dubbed as Brazil's 'Silicon Valley', given its critical mass of high-tech research universities, including the University of Campinas and multinational companies including Samsung and Dell.

If Brazil's research agenda continues to grow, there is a greater likelihood that world-class academics can be both attracted and retained. Furthermore, teaching, underpinned by high quality research, will only improve. Brazil is already becoming increasingly attractive for global higher education partnerships and demand for collaborations with foreign institutions will only increase as the quality of Brazil's research agenda continues on an upward trajectory.



POLICY ANALYSIS

IMPROVING QUALITY AND MARKETISING PERFORMANCE

One policy the Brazilian government has implemented in an attempt to raise the standard of higher education institutions is to introduce an examination for final year students across all universities. The Brazilian National Student Exam (also known as ENADE) is a regulative policy response which provides an average mark for each course offered by an institution, theoretically allowing prospective students and employers information on the standard of a particular institution and the merit of each course provided. The final year exam is an attempt to introduce more stringent performance monitoring across Brazilian higher education. Furthermore, policymakers hope it will go some way to addressing particular market inefficiencies and a lack of transparency in the burgeoning yet relatively immature private sphere of higher education in Brazil.

The introduction of this exam marks another significant step in the marketisation of higher education in Brazil, most centrally through competition. In effect, the exam allows people access to greater information to make an informed 'market'-based decision on their choice of university, and, in the case of employers, the 'value' of a particular degree.

The merits of this exam are open to question. The inherent imbalance in the standard of students that public institutions can attract over some private institutions raises questions as to the fairness of the exam. Whilst the exam takes into account whether an institution is public or privately run, it will not alone contribute to tackling the issues of student selection and may perversely serve to reinforce issues of social mobility and inequality. There is a danger the exam could inhibit the development of particular institutions and benefit an elite few, who are able to recruit the most capable students, to the detriment of the Brazilian higher education system as a whole. The data the final year examination provides offers the notion of choice to prospective students; however, this choice is maybe illusory for some if the legacy of elitism in public universities is not fully addressed.

TACKLING INEQUITY

The Brazilian government has recently passed legislation to tackle some of the perceived injustices of its higher education system. Affirmative action, in the form of a mandatory quota system, is set to change the Brazilian higher education landscape significantly, particularly with regards to student enrolment to public universities. By 2016, public universities must provide half of all places to students from state-funded schools, and half of those students must be very poor, black or mixed race. This strong legislative policy response of the Brazilian government appears to signal a significant shift from an elitist to a democratic higher education system. In many ways the policy reflects the 'fast-tracked' nature of Brazilian higher education in the past ten years and reaffirms Brazil's intention to create a more inclusive higher education system underpinned by a mass market model. There is an



increasing realisation that high quality tertiary education is central to building a knowledge-based economy. An education system designed for an elite few will not deliver this aim.

There has been opposition to the introduction of positive discrimination. Most notably some have argued a quota system undermines the autonomy of individual institutions, whilst there are concerns that quota policy will not tackle more deep-seated societal issues. For example, there is a danger the continued lack of investment in public secondary education means institutions may end up with more underprepared students entering higher education.

A further policy to tackle issues of enrolment in Brazil has seen private universities given tax breaks for providing free or highly subsidised places for those from underprivileged backgrounds. This policy is estimated to have already benefited over one million students since its implementation; however, there are concerns that private institutions have sought to exploit tax breaks by providing sub-standard courses for those students not having to pay tuition fees.

FOSTERING INTERNATIONALISATION

Brazil has more recently increased funding and government support to foster greater internationalisation and global partnering opportunities. The most notable policy in this regard is the 'Science without Borders' programme, in which approximately 100,000 students are awarded a funded scholarship by the state to study abroad at partnering institutions, including in the US, Canada and the UK. This programme is seen to be a bold move by Brazil to improve the knowledge and quality of the workforce, which it is hoped will boost economic growth and allow Brazil to establish growth rates at least on a par with other BRIC economies. In addition, the programme aims to help improve the Brazilian HE system as a whole by increasing the 'critical mass' of high quality academics and researchers, something which Brazil's system lacks at present. The 'Science without Borders' programme will cost approximately \$1.65 billion dollars by the end of 2015, with three quarters of the funding coming from the Brazilian tax payer; the other quarter will come from private business with a stake in the specific research interests. Whilst Brazilian students participating in the programme already attend UK HEIs, there is certainly demand for further partnerships and greater numbers of students studying in the UK from Latin America.

Brazil has also announced partnerships with a number of other nations including a new educational scheme as part of the Brazil-Pakistan Cultural Agreement allowing Pakistani undergraduates to achieve admission to 61 Brazilian universities. The partnership with Pakistan, announced in May 2012, signals Brazil's intent to be proactive with regards global HE partnering. Students from Pakistan will not be required to pay tuition fees but are expected to cover the other expenses of studying in Brazil.



SUMMARY: BRAZIL

Brazil's higher education system potentially has the biggest scope for improvement of all the BRIC countries and partnerships with UK institutions could be of significant mutual benefit. It appears that there is no shortage of investment funds (public and/or private) and this coupled with a significant policy commitment to higher education as a critical enabler of sustainable economic growth arguably makes Brazil a 'rising star'.



RUSSIA

POPULATION:	143 MILLION
GOVERNMENT:	FEDERAL SEMI-PRESIDENTIAL CONSTITUTIONAL REPUBLIC
GDP (PER CAPITA):	\$14,037
NUMBER OF HEIS:	1,114
NUMBER OF STUDENTS:	7.5 MILLION

CONTEXT AND TRENDS

HISTORICAL LEGACY

The Russian higher education system is still recovering from the legacy of the post-Soviet transition. Until more recently, the higher sector had lacked the resources or investment to sufficiently modernise and adapt to an emerging global knowledge economy. In effect, Russian higher education was in a state of stagnation. In more recent times there has been a concerted effort to improve the higher education system. Russia has seemingly acknowledged the need for greater economic diversification and has backed plans for the modernisation of higher education to help achieve that goal.

Until recently, Russia had become increasingly detached from the global higher education marketplace. There have been a number of reasons for this. Perhaps most fundamentally is the cultural and political differences between Russia and many 'Western' nation states. Aside from political positioning and ideological conflict, a number of perceived regressive trends in Russian higher education have undermined the system's ability to gain international recognition.

GLOBAL REACH AND REPUTATION

The global reach of Russian higher education is potentially hindered by an unwillingness of many Russian institutions to publish research in English. This issue can perhaps be in part attributed to a higher education system which is not fundamentally underpinned and governed by enlightenment principles. The limited 'external' access to Russian research seems to have significantly hindered the ability of Russian institutions to perform well in world rankings, especially in comparison to fellow BRIC nations. The number of Russian articles which achieved publication in mainstream journals was approximately 32,000 in 2010 which was significantly less than China (330,000), India (65,000) and Brazil (43,000). Perhaps more significantly is that the average number of Russian articles published in academic journals has remained at broadly the same levels since the 1980's whilst Brazil and China have grown exponentially.



Russia also struggles to attract and retain leading academics given the poor levels of pay in the Russian higher education system. According to a global study into academic pay in public higher education institutions conducted by the Center for International Higher Education, at Boston College in 2012, the average salary for a Russian academic is \$617 per month. To place this into context, the study suggested only Armenia paid academics less whilst the average salary for an academic working in a public university in India, a fellow BRIC country, is \$6,070 per month. These figures illustrate the issue of academic pay in Russia is an acute problem which can be seen as a major inhibitor to progression.

It could be said that poor pay in Russian higher education institutions effectively implies a low value is placed on the pursuit of knowledge and that it isn't surprising that a 'brain drain' in Russia is an ongoing problem.

GLOBAL STANDING

In terms of global standing, there is no Russian representation in the top 100 universities in any of the three best known university world ranking tables. At present, Lomonosov Moscow State University, Russia's best ranked institution is ranked outside the world's top 200, according to the latest Times Higher Education rankings.

President Putin has recently announced the intention for Russia to have five higher education institutions in the top 100 best ranked universities by 2020. It remains to be seen whether the modernisation agenda results in meeting these ambitious targets.

POLICY ANALYSIS

MODERNISATION

To achieve modernisation and improvement in Russian higher education a range of policies are in the process of being implemented. As with a number of developing higher education systems around the world, Russia has announced a significant increase in investment for their top institutions. Thirty-six of Russia's best performing institutions have been selected to form new group of 'National Research Universities'. These institutions have been prioritised by central government and will benefit from \$2.4 billion of investment.

The hope is that these higher education institutions will become flagship universities which will help raise the reputation and profile of the Russian higher education system as a whole. The critical mass of these institutions, with a strong commitment to increasing the quality and quantity of research output is hoped will improve both national and regional economic growth and in turn allow for greater international reach and reputation.

In committing to this increase in investment, the Russian government has acknowledged this may mean other higher education institutions with limited support and investment from the state could potentially close down or be forced to merge. There is a sense in Russia that after



a period of stagnation in higher education there needs to be significant change in how the higher education system operates. Russia seems less concerned with fostering a mass market model of higher education through rapidly increasing capacity and seems more intent on pursuing quality through the establishment of the National Research Universities, which will be closely governed by the state.

From the outside, at least, it would appear the state has identified a meandering massification of Russian higher education as part of the reason for recent stagnation. It feels targeted investment in a core group of higher education institutions with a clearly defined mission, underpinned by a quest for 'world-class' excellence, is the best policy direction in order for a more effective and efficient higher education sector to flourish and modernise.

INTERNATIONAL COLLABORATION

Russia has also attempted to shed the insular perception of its higher education system through a more proactive approach to global partnering with international institutions.

One of the most notable of these global partnerships has been formed with the Massachusetts Institute of Technology (MIT), one of the leading universities in the US. MIT has agreed a partnership with the Skolkovo Foundation, a Russian based science and technology centre, to fund and establish the Skolkovo Institute of Science and Technology (SIST).

The partnership between a US and Russian institution is somewhat of a watershed moment for global HE partnering, signalling a breakdown of the cultural and political boundaries as regards collaboration and knowledge exchange. The aim of this partnership is for SIST to become a world-class graduate research university. MIT will provide advice about structure and organisation of SIST and help steer research programmes. Of further significance in this US-Russian partnership is that the Russian government is providing funding for SIST in addition to the support from MIT. The wider remit of SIST is for Skolkovo to become a new science and technology city in close proximity to Moscow.

The announcement of the 'German-Russian Year of Education' provides further evidence of Russia's intent to expand and improve its higher education sector. The partnership was spearheaded by Russia's leading HEI, Lomonosov Moscow State University, and looked to establish a 'partnership of ideas' with leading German institutions with particular emphasis on science.

On the surface, a partnership between Germany and Russia may not seem overly significant. However, it should be noted that the creation of this link highlights a notable shift, not just in higher education policy, but in foreign affairs, signalling willingness from Russia for further integration with continental Europe.



LIBERALISATION

The Russian higher education system has undergone a change in regulation regarding the acceptance of foreign degrees. Until recently, any academic who sought to work in a Russian university had to provide a copy of their dissertation, in Russian, and in addition, 'defend' their research in front of a Russian speaking panel. This policy provided a significant barrier to attracting top class foreign academics to Russia and created an additional layer of bureaucracy which actively worked to undermine attempts to improve and modernise the system.

This regulation has now been relaxed to allow for increased numbers of foreign academics to work in Russia, free from the high levels of scrutiny which seemed to reflect a protectionist rather than progressive higher education system.

Recently, the Russian government has pledged to provide significant special grants to 15 selected universities to help attract leading academics to Russia as well as to recruit and fast track talented domestic graduates into a career in academe. The scheme involves grants which in total will exceed \$270 million, which is hoped will provide leading Russian institutions greater financial might to recruit leading professors, which in turn will boost the reputation of individual institutions and the Russian higher education system as a whole.

However, there is still a lingering sense that much more needs to be done about the pay levels, and indeed the 'value' placed on academe as a profession, for Russian higher education to become a more attractive proposition for domestic based graduates and those beyond its borders. There is a view that the Russian model of higher education undermines certain notions of academia, given its strong focus on educational activities rather than scientific research.

RUSSIA'S NEW FRONTIER

Russia has demonstrated intent to expand its higher education sector and recently highlighted its willingness to compete on a global scale. A new \$2 billion higher education institution, known as the Far Eastern Federal University has been developed on the very eastern tip of Russia, close to the Chinese border. The vision seems to be inspired by the burgeoning demand for higher education in China coupled with Russia's intent to be a more active global player in higher education. The hope is that by investing in a new university within reach of China, it will attract a number of Chinese students across the border to study in Russia.

The opening of this university marks a significant development with regards to the globalisation of the higher education sector, but also presents a new conception of global higher education competition, given the overt focus on attracting foreign students through geographical positioning.



There are concerns over the sustainability of this new institution. First, the site of the university is located in a geopolitically sensitive region on the Russian/Chinese border. Secondly, the institution is in a particularly isolated area of Russia which still lacks the amenities and infrastructure to sufficiently support a world-leading university. It remains to be seen whether this project is merely a grandiose political statement or a more considered approach to accessing an increasingly lucrative global higher education marketplace.

SUMMARY: RUSSIA

The sheer size and scope of Russia means that there is a magnitude of untapped potential when it comes to the development of the higher education sector; however there are still barriers to overcome if Russian higher education institutions are to become globally renowned and respected. At present, there is a view that Russia is reverting to an increasingly authoritarian posture. This is of some concern regarding levels of academic freedom and the autonomy of individual institutions. Russian higher education is still governed by a highly centralised system in which layers of bureaucracy commonly inhibit progress and change. For Russian higher education to be credible globally the state will need to allow it the space to flourish.



INDIA

POPULATION:	1.2 BILLION
GOVERNMENT:	FEDERAL PARLIAMENTARY CONSTITUTIONAL REPUBLIC
GDP (PER CAPITA):	\$1,592
NUMBER OF HEIS:	32,000 (INCLUDING 611 UNIVERSITIES)
NUMBER OF STUDENTS:	26 MILLION

CONTEXT AND TRENDS

MASSIFICATION

The Indian higher education system, already the world's third largest in terms of student numbers, is growing at a rapid rate. In four years, India has witnessed a 65% increase in student enrolment. India's gross enrolment ratio, a statistical measure used by the United Nations, has reached 20.2 and is set to rise further. The average enrolment ratio for developed nations is between 35 and 40. A score just over 20, up from 12 just five years ago, illustrates the increased social mobility of prospective students and also the increased capacity of the higher education in India. However, India's higher education system is, in many ways, still at an embryonic stage. Whilst 10% of the university-aged population in India access some form of higher education, China enrolls approximately 27% and the United States over 80%.

There is no sign of the increase in demand for higher education in India levelling off. Some forecasts suggest as many as 400 million prospective students will be seeking a place at university by 2030. This is fuelled by India's youthful population. Whilst a number of developed nations are starting to face up to the issues posed by an ageing population, India is experiencing a young population bulge, with over half of its population now under the age of 25.

The current and future population demographics in India provide a number of opportunities for the nation as a whole and in particular its higher education system. There is certainly the potential for India to have the largest number of graduates anywhere in the world. If India can provide the platform for these graduates to permeate the labour market effectively, this will allow for a more sophisticated and diverse economy to flourish. However, it also poses particular challenges which need to be overcome if the potential of Indian higher education is to be fully realised. The quantity of graduates will only be of benefit to India if the system provides a learning environment which is conducive to producing graduates that can sufficiently enrich Indian society, both economically and socially. In this regard, there are currently concerns that a number of graduates are too poorly educated to contribute to the Indian economy whilst there is an acute lack of domestic job opportunities for PhD students.



The very nature of these trends provides an illustration of the sheer scope of India, both in terms of its population demographics and the growing higher education sector. The statistics also serve to highlight the challenges facing India's higher education system as it seeks to address issues of capacity whilst at the same time harbouring hopes for improvement in quality and global standing.

FRAGMENTATION

There are a number of different types of institutions that make up the Indian higher education system. Each form of institution comes with different governance structures, lines of accountability and levels of autonomy. These higher education institutions include central universities (controlled by central government), state universities (controlled by local government), deemed universities (unique to the Indian HE system; institutions that research to accepted university levels but often in only one particular field) and Institutes of National Importance (the elite academic institutions which are outside the role of government and include all Indian Institutes of Technology which are widely regarded as India's highest performing HEIs).

At a meta-policy level, the number and mix of institutions makes the formulation of a national higher education policy framework challenging. At a municipal level, issues of burdensome bureaucracy and political and institutional corruption make the successful implementation of individual state policies equally difficult to achieve. A clearer governing structure for Indian higher education institutions, free from political meddling, seems to be a prerequisite for the system to be improved. It is important that the new Independent Regulatory Authority of Higher Education is given political breathing space in which to make strategic decisions for the long-term future of Indian higher education.

CAPACITY VERSUS QUALITY

The trends in population demographics in India illustrate why remedying issues of capacity in higher education is one of the central issues for Indian policymakers.

Of India's 32,000 higher education institutions only 611 of them are universities. This limits the number of students who can access a university education. The perversity of this demand for university places has even led to some of India's best students struggling to achieve a place at the nation's leading institutions. Just two years ago, the University of Delhi, regarded as a top central university in India, set the required entry-level mark for student enrolment at near 100% for the final year high school exam. A number of students achieving scores in the low 90's were still unable to secure a place at Delhi. Perversely, some of the highest performing Indian students were subsequently accepted by US Ivy League institutions. This case highlights the complexity of the Indian higher education landscape. The high levels of demand, coupled with the lack of 'leading' universities for the best students, has led to a scenario in which the system itself is undermining its ability to recruit



and retain the best students, thus creating a paradox which is limiting the levels of quality throughout the Indian higher education system.

Interestingly, a number of leading institutions, most notably from the United States, have increased their presence in India. The Ivy League institution, Brown University, ranked 51st in the world, provides joint courses with St. Stephens College and Lady Shri Ram College in Delhi, whilst Stratford University, a private university in the US, considered a leader in online classroom programs, has established an international 'New Delhi Campus', which advertises the delivery of an 'American education' in India.

There is little doubt that the capacity in Indian higher education will continue to increase rapidly. Indeed, a recent announcement from India's Ministry of Human Resource Development has acknowledged issues with university capacity and suggested that a further 800 universities are required in the next ten years to keep up with the continued surge in demand. The pertinent question for India's higher education system is whether the expansion of the higher education sector can keep up with demand whilst improving (or just maintaining) quality. This remains to be seen.

Issues of quality are compounded by the limited status of Indian higher education institutions at a global level. A number of different factors impact upon quality in the Indian higher education system and in turn its global reputation. These factors are often most acute in state universities which make up approximately half of the universities in India. State universities in India are institutions run by local government. Most significantly, limited state funding and regulation, declining research productivity, a lack of high quality academics and poor teaching are issues which inhibit the performance of many state universities.

As the burgeoning demand for higher education continues to grow, the private sector has identified higher education as a profitable sector in which to be involved. Today, over 60% of all Indian higher education institutions operate on a for-profit basis. The inevitable lag between the rapid emergence of new private higher education institutions and the governance and regulations to manage these institutions effectively has meant a number of corrupt and exploitative practices have emerged. It would appear that many private institutions are taking advantage of the increasing demand for higher education and running courses without recognition or accreditation.

POLICY ANALYSIS

INVESTING IN QUALITY

Indian higher education is still in a transitional phase of policy development. Until recently, policy has been heavily focused on increasing the capacity through the construction of new higher education institutions. However, focus on quality has seemingly been limited. However there is a sense this is gradually changing. The scrutiny on Indian higher education has increased as a consequence of increased social mobility and a better informed middle



class. Quality is becoming an issue for many stakeholders. As a result, India seems to have followed the policy direction of other BRIC nations by turning their attention to improving the quality of its higher education system.

Whilst the 'Five Year Plan 2007-12' announced the development of 51 publicly funded higher education institutions, the recently updated 'Five Year Plan 2012-17' has signalled a shift in policy direction. Simply building more institutions is, it appears, no longer the sole priority. Instead the newly published plan recognises the need to improve both central and state institutions and - significantly - the notion of global competition infiltrates the plan's narrative. This change in policy direction highlights that even the relatively embryonic higher education system in India is becoming conscious of the globalised nature of higher education and India is determined not to lose further ground to competing systems around the world.

NEW GOVERNANCE

The Indian government, through the new 'Five Year Plan', has seemingly acknowledged that issues of fragmentation and governance are providing significant barriers to improving quality, functionality and reputation of the higher education sector. A recently passed legislative bill aims to provide greater autonomy for Indian higher education institutions by creating clearer lines of accountability and removing highly fragmented governance structures. The National Commission for Higher Education and Research (NCHER) has been given increased powers to oversee the sector, whilst a host of additional regulatory bodies, including the University Grants Commission, the All India Council for Technical Education and Council of Distance Education have all been subsumed by the overarching NCHER.

TURNING TO TECHNOLOGY

The Indian government has announced a new policy direction in an attempt to meet the growing demand for higher education in the wake of limited capacity and infrastructure. The policy focuses on making technology available to students in the form of 'tablets'. This is intended to enable students to access higher education qualifications through online learning platforms utilising the internet and 'Cloud' software. In effect this policy is aimed at establishing e-learning environments which can provide a solution to meeting the high demand for higher education without the expense of building new facilities and associated infrastructure.

This policy direction chimes with the current global interest and investment in online courses (MOOC's) particularly involving leading US institutions. It is not insignificant in this regard that the private US institution, Stratford University, with a strong commitment to online learning, has sought to enter the Indian market through an international branch campus in New Delhi. There is some evidence that there is an appetite in India to access learning through online platforms. This is illustrated by the number of Indian's using *Coursera*, an online interface which provides free online classes from the world's leading higher education



institutions. Of the approximately three million worldwide users, a quarter of a million are based in India, ranking second to the United States.

India appears likely to be the first nation to comprehensively embrace MOOC's and e-learning technology to address the growing demand for higher education, helped by India's youthful, tech-savvy population. The hope in this regard will be to fast-track improvements in quality within a system of fragmented governance and limited resources. Whilst the widespread successful implementation of such a policy will be challenging, it does provide evidence of a willingness to embrace innovative thinking.

SUMMARY: INDIA

In spite of the scope of the Indian higher education sector, the system is still very much in at an embryonic stage in terms of meeting demand and providing high quality HE at a consistent level. There will be an inevitable lag between new investment into the sector and an improvement in its outputs on a number of levels, including graduate employability and improved teaching and research. India's dilemma is attempting to remedy issues of quality whilst continuing to meet with the burgeoning demand for higher education.

However, Indian higher education should not be disregarded as a 'second-rate' system. There is potential for significant improvements in the sector. Reciprocal relationships between Indian universities and international counterparts may provide opportunities for partnerships to address the demand for higher education and by providing higher quality teaching, research and knowledge exchange.



CHINA

POPULATION:	1.3 BILLION
GOVERNMENT:	SINGLE PARTY COMMUNIST STATE
GDP (PER CAPITA):	\$6,076
NUMBER OF HEIS:	2,350
NUMBER OF STUDENTS:	31 MILLION

CONTEXT AND TRENDS

DECENTRALISATION

The post-Mao era in China has seen the country embark on significant reforms of its higher education system. One of the most notable trends in China has been the change in higher education governance structures. A previously top-down centralised system of government has been replaced with greater decentralisation. The decentralisation of China's higher education system has seen direct central government control of higher education institutions replaced by greater devolved powers for municipal (local) government, which, in most cases, are responsible for the institutions which fall within their jurisdiction. Decision making has been brought closer to the point of delivery. The devolution of particular powers allows Chinese higher education institutions to develop more effective relationships with municipal government, creating clearer governance structures and lines of accountability. However, one clear exception to this change in governance is illustrated by Chinese central government retaining responsibility for 150 higher education institutions recently designated 'research universities'. To this extent, it appears that institutions identified as central to China's quest for global higher education excellence and wider economic development have been kept within the direct remit of the state. It could be argued that this legacy of top-down state control effectively means the perceived decentralisation of China's higher education may actually represent a form of 'decentralised centralism'.

PRIVATISATION

The landscape of Chinese higher education has been transformed with the rapid emergence of a number of for-profit institutions. The emergence of private institutions in China represents a distinct break from a previously long-standing model of higher education. During the period of the 'Mao Dynasty', Chinese higher education could broadly be conceptualised as an 'elitist' system in which nationalised public universities provided opportunities for the brightest students.

However, since the late 1990s 'privatisation boom', in which the Chinese government actively endorsed private sector involvement in higher education, the number of privately-run universities in China has increased from just 20 in 1997 to over 600. Post-Mao, China readily



acknowledged that public institutions alone could no longer cater for the sheer weight of demand for higher education places whilst the massification of the sector signalled a further reform of Chinese economic policy in pursuit of economic diversification.

Private higher education institutions still operate within the shadows of more prestigious public universities in China. The initial emergence of private institutions in China provided access to higher education to a much larger percentage of the population, offering professional and vocational based courses. However, trends in China, including the burgeoning middle class have meant a number of prospective students, and indeed their parents, have become more conscious of 'choice' in higher education: they are demanding more from institutions. As with many developing higher education systems, the private sphere often demonstrates inconsistencies in quality. China appears no different, with the reputation of privately operated higher education institutions seemingly at stake. Some of these suffer from a perception of low-quality teaching and unresponsiveness to the demands of an increasingly sophisticated Chinese society. Many families now want more than a 'no-frills' vocational education.

Concern over private institutions in China has actually led to a number of leading public universities being encouraged to establish 'second-tier' or 'spin-off' institutions. These are privately run, but share the public universities names, branding and resources.

COMPETITION

China's higher education system is now operating at 'over-capacity'.

The massification of China's higher education system has seen the number of higher education institutions total upwards of 2350, up by approximately 1000 since 2003. China now educates approximately 27% of its university aged population, up from under 10% ten years ago. By 2020, China wants 40% of its university aged population enrolled at higher education institutions.

However, the pace of change in the Chinese higher education landscape has resulted in an excess of places being created. This has caused a significant intensification of competition between institutions to attract students. The notion of competition and indeed choice isn't something which is readily associated with many aspects of Chinese citizenship. However, China's higher education sector is increasingly mirroring aspects of more established Western systems as it attempts to become a major player in the global higher education landscape.

Future trends in population demographics suggest that 'over-capacity' will continue to be a defining issue for Chinese policymakers to contend with, especially as China grapples with the challenges of an ageing population. There are also trends in China which point to a reducing pool of domestic students, which will exacerbate issues of 'over-capacity'. There has been a drop of approximately one million students undertaking the higher education entrance exam in the last five years. This is partly attributed the growing number of Chinese students



studying abroad. Whilst by definition the private sector involves market-based competition, there is some concern that the intensification of competition in China's private sphere of higher education is effectively becoming counterproductive. The confidence of a number of privately-run institutions to operate beyond a 'hand-to-mouth' basis has the ability to hinder the long term investment of private institutions in higher education. Instead there is a danger that fighting over student recruitment acts as a barrier to incremental improvement in quality.

STUDENT MOBILITY

China is the world's largest exporter of students, with approximately 1.2 million Chinese students studying abroad. In the short-term, this trend is likely to continue given the lack of available places in domestic elite universities for the brightest students and the prestige and lure of foreign degrees from leading Western institutions. However, as investment in Chinese universities continues, the probability of increasing numbers of 'world-class' Chinese institutions becomes almost inevitable. As a result, the reliance on Chinese students (particularly in the US and the UK) continuing to study abroad, at current levels, should not be taken as a given in the longer term. This issue is reinforced by increasingly evidence that students wishing to study overseas are increasingly choosing to stay within their 'home regions'. For example, in East Asia, the proportion of students studying within their own region increased from 36% to 42% between 1999 and 2007.

It should be noted, as of 2007, that more than two million international students now attend university in China. There is a significant probability that as the global standing of Chinese institutions increases the proportion of both Asian and potentially non-Asian students attending Chinese institutions will also grow significantly. Given the current 'over-capacity' of the Chinese system, more aggressive foreign student recruitment strategies will increasingly be adopted to help fill these spaces.

POLICY ANALYSIS

THE C9 LEAGUE

The continued development of China's higher education system, as a key driver of economic growth and global positioning has seen an increasing focus on the development of 'world-class' higher education institutions to compete with globally established higher education systems. Already, China has two higher education institutions which can be regarded as 'world-class': Peking University, ranked 46th globally in the latest Times Higher University rankings, and Tsinghua University, ranked 52nd in the world.

It is clear, however, that China envisages a higher education system with more than two of the world's leading institutions. In 2009 the Chinese government adopted a model familiar to many Western nations, in the form of the 'C9 League', mirroring many aspects the Ivy League in the US or the Russell Group in the UK. China's two 'world-class' institutions of Peking and



Tsinghua, together with a further seven universities, each identified as having the potential to become 'world-class', have been given significant funding upwards of 1 billion Yuan (approximately £100 million).

The creation of the 'C9 League' in China can be seen as significant step forward for the Chinese higher education system as a whole. This elite group of universities have signed agreements for greater collaborative working, the pooling of resources, and the creation of new domestic student exchange programmes. Establishing an elite group of universities with greater collaboration and engagement seems like a clear move toward an innovation economy in which China is seeking to become a global leader. All of this is facilitated by a dramatic expansion of its research universities. The citation impact of member universities of the C9 League is already well above the world average in a number of disciplines. The concerted effort for an increased research agenda, both in terms of quality and quantity is highlighted by the citation impact of Fudan University, which is over double the global average for the sciences.

The C9 universities in China have also been boosted by the introduction of a new higher education entrance exam. The member institutions of the C9 League have been given priority in selecting the best students. This policy is aimed at improving the standing of these institutions. One of the potential issues of this policy will be that institutions outside of the elite group of Chinese universities will be further restricted in the recruitment of students. This has the potential to widen the gap between top-tier and second-tier universities, and potentially lead to questions about the viability of many second-tier institutions. These issues require careful consideration given it could be surmised that it is both the critical mass and diversity of researchers and institutions, as well as the presence of 'world-class' institutions, which helps foster 'world-class' higher education systems.

Whilst the 'C9 League' and associated funding provides a clear indication of China's push for world leading universities, China still appears unwilling to confront the issue of 'academic freedom'. There is still a clear deficit of academic freedom given the government's authoritarian position which can suppress discussion and research into disciplines which could potentially destabilise the prevailing regime and its policy decisions. This is a potential stumbling block which may yet inhibit the quality and standing of Chinese institutions.

INTERNATIONALISATION

China's higher education policy is increasingly being shaped by a globalised agenda. The Chinese government see internationalisation of higher education as a pathway to increased economic competitiveness and integration. At an institutional level, global reputation, knowledge transfer and research capacity appear to be the intended benefits of a globally facing higher education system.

From a UK perspective, there have been significant partnerships with Chinese higher education. A prominent example here is the creation of the University of Nottingham Ningbo



China (UNNC), which marked the first international presence in the Chinese higher education system. The partnership resulted in increased numbers of Chinese students studying in the UK, enhanced research capability, and led to further partnering opportunities. For example, Fudan University, a highly regarded Chinese institution, opened a UK Confucius Institute within the University of Nottingham, helping to showcase and strengthen understanding of Chinese culture.

China has also strengthened links with Australia. The C9 League and Australia's equivalent, the 'Group of 8', have committed to new opportunities for knowledge exchange, transfer and institutional collaborations, through the signing of a Memorandum of Understanding (MoU). The more formalised links between the leading Australian and Chinese institutions shows how partnering has become a global phenomenon. Previous mental models of partnering relied on a vaguely colonial notion of Western nation states, most commonly the US and UK, forming links with eastern ones. Partnering, however, is a dynamic force that does not necessarily entail any Western involvement.

China is also seeking to expand its own transnational higher education 'footprint' overseas. In the last two years, Soochow University has established China's first overseas campus, located in the small nation state of Laos. Partnering with Laos does not equate to a major landmark in global higher education partnering, but it does perhaps highlight a confidence and willingness from Chinese institutions to increase their presence across Asia. In addition, China's first foray into European higher education has, in the last year, been established with the presence of Ningbo University in the historic Italian city of Florence.

Perhaps more significantly, China is set to launch its first international branch campus endorsed by the Chinese government. Xiamen University, ranked in the top 20 higher education institutions in China, is set to establish a campus in Malaysia, a nation which is actively pursuing higher education excellence through a the development of a 'global higher education hub'. In a further illustration of China's international education policy, the Xiamen's branch campus will teach in English, in an attempt to attract its share of the near 100,000 foreign students that study in Malaysia. Given the branch campus concept has often been criticised on a number of counts, it is interesting to note that Xiamen University, in conjunction with the Chinese government, announced that any profit made from the institution will be reinvested in its Malaysian operation.

SUMMARY: CHINA

China has earmarked higher education as a driver of continued economic growth. Whilst a number of western nations, including the UK, are in effect reducing government financial support, China is embarking on significant investment in its higher education system. In the global context, there is a distinct possibility that Chinese institutions will quickly close in on western institutions, particularly if the focus on higher education institutions proves successful in enabling continued economic growth. Chinese institutions are likely to become more significant players in an increasingly globalised higher education sector.



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ABOUT ELEMENTA LEADERSHIP

Elementa Leadership is a specialist strategic change and leadership consultancy with cross-sectoral international experience, focused on UK higher education. We are currently working at strategic level with universities that cover the various HE mission groups. We are committed to the future of UK higher education as central to the development of both a better society and a better economy.

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