

# Education Sector Hotline

July 20, 2018

## INSTITUTE OF EMINENCE: INCHING TOWARDS WORLD CLASS EDUCATION IN INDIA

- Through Institution of Eminence ("IoE"), the government aims to create 20 world class higher education institutions in India
- IoE status is proposed to be conferred on 10 public and 10 private sector institutes
- Over 100 universities/institutions applied for the status of IoE. As of date, the status have been conferred upon 6 institutes
- These 6 IoEs will have complete financial autonomy and will be exempted from all University Grant Commission ("UGC") norms with respect to admission, fee and course structure, recruitment of faculty, inspection and academic collaborations
- IoEs will also be allowed to collaborate with foreign education institutes ranking in top 500 without requirement to take approval from the UGC

### INTRODUCTION:

One of the most ambitious initiatives of the Indian government is the establishment of IoE in the country. The aim of IoEs is to ensure that India features on the world map for quality education.

Under law, the status of IoE can be conferred on a total of 20 institutions, 10 public sector and 10 private sector institutes. These could be existing or new institutes. These institutes are required to meet stringent qualifying criteria, in terms of net worthiness, teaching and research quality standards, infrastructure, vision plan, etc.

Once granted IoE status, these institutes should be poised towards delivering world class teaching which will enable them to feature in top 500 ranked educational institutes in the world within 10 years and in top 100 of the world ranking eventually overtime.

The scrutiny of applications for IoE status started last year, and over 100 applicants applied. After a tough step-wise process, the government shortlisted 6 institutes for IoE status only on July 9, 2018. Of the six selected, three institutes are from the public sector<sup>1</sup> and the remaining three from the private sector<sup>2</sup>.

### BACKGROUND AND KEY HIGHLIGHTS:

India has the world's largest youth population with more than 50% of its total population under 25 years of age.<sup>3</sup> However, education is a lacking resource in the country. There are very few institutes which are able to provide quality education to students in India. This left the students with two option i.e., either to study abroad for those who could afford it, or seek admission in the domestic universities which may/ may not make them job ready.

In order to fill this gap, the Indian government first mooted the idea of world class institutions in the year 2016. The genesis being very few institutes from India were named in several world rankings.

This step was specifically taken to enable Indian institutions/ universities to break its mark for its teaching and research amongst the top 100 of world institutions rankings and also to facilitate global recognition of Indian universities.

With this intent in mind, the *UGC (Institutions of Eminence Deemed to be Universities) Regulations, 2017* ("**Regulations**") for private institutions and *UGC (Declaration of Government Educational Institutions as Institutions of Eminence) Guidelines, 2017* ("**Guidelines**") for public institutions were notified.

Amongst the most critical aspect of IoE is that they will not only be bestowed with unprecedented administrative and financial autonomy, but they will also be completely set free from the archaic norms and regulations of the UGC with respect to admission, fee and course structure, recruitment of faculty (Indian or abroad), academic collaborations, and inspections.

Further, they have also been given the flexibility to freely collaborate with foreign education institutes ranking in top 500 without requirement to take approval from the UGC.

Some of the other key incentivizing features under these Regulations and Guidelines are as follows:

- flexibility in admission of foreign student's subject to maximum of 30% of the strength of admitted domestic students;
- freedom to fix fees for foreign students without restrictions;
- freedom to determine fees for domestic students, subject to the condition that no student who gains admission would be turned away due to lack of finance, scholarship and loans should be provided to ensure that needy are

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- able to pursue educations in such institutes without any financial problems;
- iv. freedom to offer courses within a programme, as well as to offer degrees in newer areas after approval from its governing council;
  - v. flexibility to determine course structure in terms of number of credit hours and years to take a degree and in fixing curriculum and syllabus, with no UGC mandated curriculum structure;
  - vi. freedom to offer online courses subject to condition that not more than 20% of the programme should be in online mode. However, certificate courses can be provided entirely through online mode;
  - vii. freedom to hire Indian as well as foreign faculty. Foreign faculty to be recruited on tenure or contract basis;
  - viii. freedom to hire industry experts who may not possess requisite higher academic qualifications as faculty members.

The public institutes will also be provided additional financial incentives by the government. The 3 public institutes selected as IoE will get financial assistance up to Rs. 1000 crore over the period of five years,<sup>4</sup> which is subject to its achievement of the financial and physical outcomes. However, the private institutions (new or existing) will receive no such financial aid from the government.

### IMPLICATIONS

While the implementation and working of the IoE is yet to be seen, if successful it will be a win-win situation for all since students will stand to benefit from high quality teaching and help India become a leading education hub.

Further, while foreign institutes can collaborate with Indian institutes in degree granting courses under approval route as of today, IoE have been allowed to collaborate with foreign institutes without any regulatory approval. This will bring much needed flexibility in collaboration arrangements. In addition, the emphasis on research, world class facilities, and a mix of domestic and international teaching staff will truly help in making India a global education hub.

In short: exciting times for Indian education sector ahead!

– **Puja Saha, Aarushi Jain & Vivek Kathpalia**

You can direct your queries or comments to the authors

<sup>1</sup> (i) Indian Institute of Science, Bangalore, Karnataka; (ii) Indian Institute of Technology, Bombay, Maharashtra; (iii) Indian Institute of Technology, Delhi,

<sup>2</sup> (i) Jio Institute (Reliance Foundation), Pune under Green Field Category; (ii) Birla Institute of Technology & Sciences, Pilani, Rajasthan; and (iii) Manipal Academy of Higher Education, Manipal, Karnataka

<sup>3</sup> [http://censusindia.gov.in/Census\\_And\\_You/age\\_structure\\_and\\_marital\\_status.aspx](http://censusindia.gov.in/Census_And_You/age_structure_and_marital_status.aspx)

<sup>4</sup> [http://mhrd.gov.in/sites/upload\\_files/mhrd/files/IoE\\_PR.pdf](http://mhrd.gov.in/sites/upload_files/mhrd/files/IoE_PR.pdf)

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**Vaibhav Parikh, Partner, Nishith Desai Associate on Tech, M&A, and Ease of Doing Business**

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