Invasion of FDI in Higher Education System

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Introduction

Every country in the world is trying to integrate its economy with the world and foreign direct investment (FDI) is emerging as an important instrument for integrating individual economies into the fast growing international open economies system. The definition of foreign direct investment has the following form:

1. FDI is the net inflow (inflow-outflow) of investments for acquiring permanent operating results (more than 10% of the voting rights) in companies engaged in other economic activities than investors.
2. FDI is the direct investment of a person or company from another country in the production or the business of a country by acquiring the company in the target country or by expanding the operation of existing activities in that country. That is, direct foreign investments include mergers and acquisitions, construction of new facilities, reinvestment of profits from foreign corporate and business loans.
3. FDI contrasts with portfolio investments, which are passive investments in securities such as shares and bonds in other countries. That is why FDI also excludes investments by means of a share purchase.
4. FDI generally includes participation in management, joint ventures, technology and / or transfer of expertise.

According to the International Monetary Fund (IMF), FDI reflects the continued interest of a resident (direct investor) in an economy for a company that resides in a different economy (a direct investment company). "Persistent interest" The presence of a long-term relationship between companies making direct investments means a significant impact on the management of the latter."

Similarly, FDI is defined in the pre-economy (Graham Bannock et al.) Is "foreign investment by establishing a local company or branch there, a new (Greenfield) site".

Simply put, FD means the inflow of foreign capital to invest in the economy or to improve the production capacity of the economy. It is preferable to other foreign capital investments because it is non-volatile and debt-free and leads to economic development, modernization and job creation in the economy.

In the course of economic development, FDI is a bridge to bridge the gap between domestic investment and savings in capital requirements while at the same time providing access to superior technology. This allows you to increase the productivity and efficiency of your existing production capacity and create new production possibilities.
In the context of India, the historical background of FDI goes back to the founding of the East India Company in the United Kingdom. The British capital came to India in the British colonial period of India and a number of new production capacities were built.

After independence, with national interests in mind, policy makers were strict, restrictive and selective and approached foreign capital as an instrument for growth and development in the general sense. Because foreign direct investment has a minimal impact on the Indian economy, the industrial facilities in India have been neglected and lagged behind by major capital investments and a lack of modern technology.

In the critical period of the Indian economy, the Indian government announced a number of reforms in the 1990s to assist in the liberalization and liberalization process when macroeconomic and equilibrium balance crises were at stake at the end of the 1980s. Deregulation of the Indian economy. With the help of the World Bank and the IMF, the Indian government has introduced a macroeconomic stabilization and restructuring program, through which India has opened the door to the influx of FDI and has adopted a more liberal foreign policy. According to a recent UNCTAD study with a baseline of less than US $ 1 billion in 1990, India is expected to be the second most important FDI destination (after China) for transnational corporations between 2010 and 2012. Indeed, India has had a total of $ 306 since 2000, 88 billion in foreign investment.

As globalization began, developing countries, particularly Asian countries, have seen an increase in foreign exchange inflows over the past 20 years. India is the second in the world since Vietnam has become the most attractive emerging market in emerging markets. Consultancy firm AT Kearney has announced on the Global Retail Development Index (GRDI) 2009.

Endogenously, India is showing high growth in consumer spending. The impact of foreign direct investment on domestic retail is dramatically changing the lifestyle of Indian consumers to the result of the enormous 'young people' in India and high domestic consumption. With the increasing choice and availability of robust revenue growth, Indian consumers have become familiar with the quality concept of products and services.

With the huge infrastructure of the middle class in India and the undeveloped retail trade, global retail giants will feel attracted to the new foreign direct investment policy of the government and expect the Indian retail sector to grow by 25% annually. The retail trade in India is expected to be worth US $ 17.5 billion to US $ 20 million in 2016.

On a positive note, FDI is an important catalyst for national development through the gradual improvement of technology, management skills and competences in various areas. The social change in India as a result of foreign direct investment has shown that direct foreign investment not only complements domestic savings and foreign exchange reserves, but also promotes more growth thanks to technology, technology,
innovation capacity and domestic competition. This supports the statement that direct foreign investments are directly added to employment, water, exports and new technologies (Blomström, Zejan and Kokko, 2000).

In short, India's foreign direct investment is guaranteed, rapid economic growth, the amount of skilled staff increases and modernization accelerates.

There are, however, some clear negative problems related to the inflow of foreign direct investment.

1. Unilateral substantial FDI for a country may depend on external pressure from the foreign owner.
2. FDI in free-market mode is also a challenge for the public offer. In developing countries such as India, India is developing at a much faster pace than before, but the development is uneven. This means that more urban areas are tapped, but poorer areas / zones are underdeveloped. In order to achieve comprehensive growth, it is important that rural areas develop almost equal amounts of urban development, thereby promoting social equality and achieving balanced economic growth.
3. Indian foreign direct investment must focus on poverty reduction and social sectors such as bank assurance and rural development.

The education sector has a promising prospect in the education sector because of its enormous potential in considering the Indian education sector in relation to foreign direct investment, because India faces the following major challenges:

1. Teach more and more young people.
2. Provide training at remote locations
3. Service-oriented economy

The Indian government recognizes the true meaning of this scenario and focuses on a total enrollment rate of 30% in tertiary education in 2020. This is a considerable increase compared to the current growth rate of 15%. But to achieve this goal, National Educational Planning and Administration pointed out that an additional investment of $ 109 billion is needed. This includes capital and operational expenses.

Foreign direct investment in the Indian education sector can help achieve this goal. This is possible not only by addressing the enormous basic infrastructure requirements, such as suitable furniture and training tools, playgrounds, libraries, but also by curriculum innovations in Indian schools and universities. In this respect, foreign direct investment in the Indian education sector in May 2012 is expected to reach 1170.09 crore (US $ 221.17 million) and Rupee (Crore in October 2013 (US $ 9016.4 million). Has the potential to to attract $ 100 billion in investment over the next five years, driven by the demand for skilled professionals.

RK Sharma raised four issues in an article entitled "FDI in higher education: correction of vision levels in higher education" which require a great deal of attention, such as higher education objectives, contextual relevance, excellent financial conditions and feasibility of direct foreign investments. The conclusion of this article
is that tertiary education not only requires long-term goals and a broad vision in preparation for the future of the country and the world, but also requires investment in Rs (Rs). To increase capacity and improve access to more than five 20,000 to 25,000 crore. We can see Foreign Direct Investment because of the enormous amount of paper it claims.

When foreign direct investment flows to higher education, the following results can occur.

1. The number of universities and educational institutions is increasing and as a result the opportunities for students to use them increase.
2. Increase the world's best college admission to help students reduce their immigration by ensuring that students have access to higher-quality higher-level education at relatively low cost. It also reduces the outflow of foreign exchange reserves in India.
3. International qualifications and training opportunities
4. Creating employment through the creation of new universities and institutes.
5. Need to use existing / upgraded infrastructure, world-class technology, laboratories and libraries
6. Quality has improved because of better competition within the institution.
7. Curriculum and innovation.
8. Better technology and infrastructure to enable better research.

There is, however, a fundamental problem that FDI must be sufficiently considered before being offered for free in the Indian education sector. They are:

1. Foreign direct investments in each sector are driven solely by profit motivation. If this motive is not achieved, the investor seeks a different destination for foreign direct investment. Because foreign investors strive for profit, it is necessary to regulate the activities of foreign educational institutions, for example by giving advertisements an incorrect impression or imposing excessive tuition fees. Such activities justify the fear of the possibility of commercialization and the commercialization of education.
2. It can negatively affect a large part of society and therefore the main purpose of the FDI infusion will be diluted.
3. Foreign direct investment in the education sector will encourage harmful competition between other institutions. Because competition requires cost savings, infrastructure, research and libraries will invest less quickly, staff of faculties and non-teaching staff can be appointed without the required and exploitative conditions (a phenomenon that occurs at most private schools nowadays). Appropriate national regulations are required.
4. Foreign educational institutions will be interested in starting high school courses, even if these are national agendas and needs. This process can have a cool name and a fascinating plan, but ultimately it will be focused on making quick money. The state must provide appropriate supervision.
5. You can create a false impression of quality by increasing the ease and flexibility of the student.
6. Diplomas awarded by foreign institutions in collaboration with non-recognized domestic institutions are often not recognized in India.

In short, FDI has always been a socialist debate problem in India, but the need for FDI for education is urgent.

1. According to the Department of Human Resources Development, the foreign direct investment (FDI) for education since 2000 was Rs. 205 per thousand, but the cost of overseas education from India is Rs 3,000 (about R 550 million).
2. Just as many students are funded to receive higher education, they can be expected economically, emotionally and better among students.
3. Industrial policy 1991 has created a process of change that allows all sectors of the Indian economy to be accepted at one time or another by liberalization, privatization and globalization. In this respect, DBI in the education sector is steadily working. Orbit, and so India must inevitably have an inevitable advantage later on.

The only limit here is that all foreign direct investment in education must be achieved through an appropriate approach. There must be an appropriate regulatory framework.

1. Quality and standards such as curriculum, lecture, teacher, evaluation and evaluation system
2. Effective registration and certification systems ensure that fees and other access conditions prevent unfair educational dominance of the population elite and ensure that Indian educational institutions, universities, schools and universities achieve world-class qualifications.

References