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**EDITORIAL ANALYSIS**

# Learning Curve — India's Bid to Be a Global Education Hub Needs More Than Policy

 **BUSINESS STANDARD**

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**SUBJECTS COVERED****ECONOMY****POLITY****SOCIAL ISSUES****GS PAPERS****GS2****GS3****CURATED & WRITTEN BY****Bharat Choudhary**

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# Learning Curve — India's Bid to Be a Global Education Hub Needs More Than Policy

 Business Standard

20 March 2026

GS2

GS3

**BS**

Business Standard

MAINS RELEVANCE:

GS Paper 2

GS Paper 3



## INTERVIEW ANGLE

*"India wants to become a global higher education destination under NEP 2020. Foreign universities can now set up campuses. But India's public R&D spending is 0.65% of GDP vs. 1.8% in China. Can brand and policy substitutes for money? What structural changes must happen before India becomes a credible education hub?"*

## WHY IN NEWS

Tightening visa regimes in the US, UK, and Australia have slowed outbound Indian student flows, creating an opportunity for India to position itself as a global higher education destination. With **NEP 2020** enabling foreign universities to set up campuses in India, the Business Standard editorial examines whether policy openness alone can create a credible education hub without commensurate investment.

## THE OUTBOUND STUDENT OPPORTUNITY — WHY NOW

India sends the **world's largest number of students abroad** — ~1.3 million studying internationally (2024-25 data), spending approximately **\$30–35 billion/year** in foreign exchange on education and living costs. The top destinations:

Destination	Indian Students	Trend (2025-26)
USA	~3.3 lakh	Declining — H-1B uncertainty, OPT restrictions, high costs
Canada	~4.3 lakh (peak)	Sharp decline — student visa cap introduced 2024
UK	~1.4 lakh	Declining — dependent visa ban for students (2024)
Australia	~1.1 lakh	Slowing — visa processing delays, stricter requirements
Germany	~45,000	Growing — free public universities attract STEM students

**The structural shift:** High-income English-speaking countries are simultaneously restricting student visa routes while using them as immigration pathways — creating a mismatch between student aspirations and policy reality. This opens a window for India.

**The forex angle:** ₹2.5–3 lakh crore leaves India annually in student spending abroad — a significant current account drag that domestic education capacity could partially retain.

## NEP 2020 — THE HIGHER EDUCATION ARCHITECTURE

The **National Education Policy 2020** set out an ambitious vision for higher education transformation:

### Key targets by 2035:

**Gross Enrolment Ratio (GER)** in higher education: 50% (from current ~28%)

**Research universities:** 100 world-class institutions

**Foreign university campuses:** Explicitly permitted (UGC guidelines issued 2023)

**Multidisciplinary education:** Break rigid discipline silos; enable flexible credit systems

**Academic Bank of Credits (ABC):** Multiple entry/exit; transfer credits across institutions

### Foreign University Campus Policy (2023):

UGC (Granting of Degrees, Diplomas and Certificates and Nomenclature of Programmes of Study and Examination) Regulations 2023

Top 500 QS or THE world-ranked universities can apply to set up full campuses

**GIFT City (Gujarat International Finance Tech-City):** Special zone — University of Southampton, Deakin University (Australia) campuses operational

**Wharton (Penn):** Expressed interest; Duke, Middlesex exploring

Key requirement: No repatriation of profits initially — reinvest surpluses in India operations

## THE INVESTMENT GAP — WHY POLICY ALONE ISN'T ENOUGH

The Business Standard editorial identifies the **investment deficit** as the central structural bottleneck:

### PUBLIC EXPENDITURE ON EDUCATION:

**India's total education spending** (public): ~4.6% of GDP (Budget 2025-26)

**Target under NEP 2020:** 6% of GDP — not yet achieved

**Higher education share** of public education budget: ~15–18% (~0.7–0.8% of GDP)

**Comparable peers:** USA 2.7% of GDP; China 1.8%; South Korea 2.2% on higher education

### RESEARCH AND DEVELOPMENT:

**India's R&D spending:** ~0.65% of GDP (GERD — Gross Expenditure on Research and Development)

**China:** ~2.4% of GDP; **USA:** ~3.5%; **South Korea:** ~4.9%

India's R&D is predominantly **government-funded** — private sector R&D investment (as % of GERD) is far lower than in innovation-leading economies

**Result:** India's academic research output (papers) is high in volume but lower in citation impact — indicating a quality gap

### FACULTY QUALITY CRISIS:

**Vacancy rate in Central Universities:** ~35–40% faculty positions vacant (UGC data)

**Pay parity:** Indian professors earn 1/10th to 1/20th of global peer salaries — driving brain drain to US, UK, and Gulf universities

**PhD pipeline:** India produces ~40,000 PhDs/year — but many go abroad for postdoctoral positions and don't return

### INFRASTRUCTURE:

Only **3 Indian institutions in QS World Top 200** (IIT Bombay, IIT Delhi, IISc Bangalore)

Over **40% of colleges** are in rural areas with poor digital infrastructure, labs, and libraries

**NAAC (National Assessment and Accreditation Council)** accreditation: Only ~30% of Indian higher education institutions have valid NAAC accreditation

## THE EDITORIAL'S CORE ARGUMENT

Business Standard makes three structural arguments:

### 1. FOREIGN UNIVERSITY CAMPUSES ARE A SHORTCUT, NOT A SOLUTION

Foreign campuses at GIFT City provide quality education to a small, affluent segment — but do not scale. They will not transform India's overall GER or research output. The real challenge is upgrading **India's 45,000+ colleges and 1,100+ universities** — the mass system that educates 95%+ of India's enrolled students.

### 2. ACCREDITATION CREDIBILITY IS THE KEY UNLOCK FOR GLOBAL RECOGNITION

For India to attract international students (reverse the flow), its degrees must be recognised globally. This requires:

NAAC and NBA (National Board of Accreditation) to gain international peer recognition

Mutual recognition agreements with major education systems (EU, US, UK)

Academic freedom and institutional autonomy – prerequisites for any genuine research university

### 3. THE BUDGET MUST MATCH THE AMBITION

The editorial calls for a **dedicated Higher Education Investment Fund** – similar to PM-USHA (PM Universities for Skilling, Higher Education, Aspiration) but at significantly larger scale. It recommends:

Raise public education spending to NEP’s 6% of GDP target within 3 years (currently 4.6%)

Triple R&D expenditure to 2% of GDP by 2030 (Anusandhan National Research Foundation Act 2023 – ₹50,000 crore over 5 years – is a start but insufficient)

Create 10–15 **Research-Intensive Universities** with guaranteed autonomy and international faculty salaries

## KEY SCHEMES AND BODIES — UPSC REFERENCE

Scheme / Body	Details
<b>UGC (University Grants Commission)</b>	Statutory body; grants recognition to universities; issues foreign campus regulations
<b>NAAC</b>	National Assessment and Accreditation Council; rates institutions A++/A+/A/B/C
<b>NBA</b>	National Board of Accreditation; technical programme accreditation
<b>AICTE</b>	All India Council for Technical Education; regulates engineering/management
<b>PM-USHA</b>	PM Universities for Skills, Higher Education, Aspiration – scheme for state universities
<b>ANRF (Anusandhan NRF)</b>	Anusandhan National Research Foundation (Act 2023); ₹50,000 crore; apex research funding body
<b>GIFT City campuses</b>	Gujarat International Finance Tech-City special zone; foreign universities permitted
<b>ABC (Academic Bank of Credits)</b>	Digital credit repository; enables multiple entry/exit; implemented from 2021-22

## UPSC RELEVANCE

*NEP 2020 (GER target 50% by 2035, 6% GDP spending target), India's current GER (~28%), India's R&D (GERD) ~0.65% of GDP, Anusandhan National Research Foundation Act 2023 (₹50,000 crore), NAAC accreditation (~30% of institutions), UGC Foreign Campus Regulations 2023, GIFT City (Gujarat), Indian students abroad (~1.3 million), Canada student cap 2024, QS Top 200 Indian institutions (3 – IIT Bombay, IIT Delhi, IISc Bangalore), Academic Bank of Credits.*

**Mains GS2:** Education policy – NEP 2020, higher education governance, UGC reforms, foreign university campuses, accreditation system, brain drain. **GS3:** Human capital formation, R&D investment, India as education hub, demographics dividend, skill development ecosystem.

## ★ FACTS CORNER — KNOWLEDGEPEDIA

### INDIA HIGHER EDUCATION — KEY DATA:

- GER (higher education, 2024-25): ~28.4%
- NEP 2020 GER target by 2035: 50%
- Total higher education institutions: ~45,000 colleges + ~1,100 universities
- Indian students abroad: ~1.3 million (largest in world)
- Annual forex spent on overseas education: ~\$30–35 billion
- NAAC accreditation: Only ~30% of institutions have valid accreditation

### INVESTMENT GAPS:

- India public education spending: ~4.6% of GDP (NEP target: 6%)
- India R&D (GERD): ~0.65% of GDP
- China R&D: ~2.4%; USA: ~3.5%; South Korea: ~4.9%
- Central University faculty vacancy: ~35–40%

### WORLD RANKINGS (QS 2025):

- IIT Bombay: ~118th
- IIT Delhi: ~150th
- IISc Bangalore: ~211th
- Only 3 Indian institutions in QS Top 200

### KEY POLICY BODIES:

- UGC: University Grants Commission — grants recognition; statutory (UGC Act 1956)
- NAAC: National Assessment and Accreditation Council — under UGC; A++ to C ratings
- ANRF: Anusandhan National Research Foundation — established by Act 2023; ₹50,000 crore over 5 years; apex R&D funding
- PM-USHA: Pradhan Mantri Uchcharat Shiksha Abhiyan (scheme for state universities)

### FOREIGN CAMPUS POLICY:

- UGC Foreign Campus Regulations 2023: Top 500 QS/THE ranked universities can apply
- GIFT City: Special economic zone in Gujarat; University of Southampton, Deakin University campuses operational
- Wharton (Penn), Duke, Middlesex — exploring India campuses
- Restriction: No profit repatriation initially; must reinvest in Indian operations

### OTHER RELEVANT FACTS:

- Academic Bank of Credits (ABC): Digital credit bank; multiple entry/exit in degrees; NAD (National Academic Depository) infrastructure
- Canada student visa cap (2024): Reduced from ~5.6 lakh to ~3.6 lakh international study permits annually — major disruption for Indian applicants
- UK dependent visa ban (2024): International students (except PhD) cannot bring dependents — sharp drop in Indian applications
- India's Annual PhD output: ~40,000 — but high emigration rate for postdoctoral positions

Sources: Business Standard, UGC, AICTE

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