Over the last decade, the Education sector in India has grown leaps and bounds. Higher Education in India has evolved in distinct and divergent streams with each stream monitored by an apex body, indirectly controlled by the Ministry of Human Resource Development. India has one of the world's largest education systems, which includes 1.3 million schools, 30,000 colleges and 542 universities. The 433 universities/institutions are mostly funded by the state governments. However, there are 44 important universities called Central universities, which are maintained by the Union Government and because of relatively large funding, they have an edge over the others. According to the recent data revealed by the Department of Industrial Policy and Promotion (DIPP), foreign investors have contributed more than US$200 million in Indian education sector and the number is going to increase steeply in coming years as well. The present law allows 100% FDI on education sector. The opportunity for foreign companies and private players is enormous in the education space of India. Three dimensional opportunities are available for the foreign investors in schools vocational training, higher education. Thus, it becomes imperative to study the growth prospects of foreign investors in education sector.

Keywords: FDI, Higher education, HRD

INTRODUCTION:

The foreign direct investment is related to the transfer of technology and expertise, and participation in the joint venture and management. FDI provides highly productive advantages both to governmental and private companies and organizations across the world world. FDI investments are profitable from both the ends to the country receiving investment (foreign capital and funds) and the investors as well. According to the Union Minister for Human Resource and Development, India will need more than 1.2 million teachers under the program called Right to Education Campaign. With more than 500 million people under 24 years of age, there is strong potential in education sector of India which needs to be tapped.
According to the recent data revealed by the Department of Industrial Policy and Promotion (DIPP)*, foreign investors have contributed more than US$200 million in Indian education sector and the number is going to increase steeply in coming years as well. The rapidly growing education sector of India holds a potential market to attract more than US$ 75 billion in the next couple of years on the virtue of infrastructure development and skilled professionals in India.

Traditionally education is considered to be non-tradable; the govt. has used to fund education through domestic resource mobilization and channelization. In the higher education a period of 1990 to 2000 is the decade of deficiency of funds on secondary, higher and technical institutions. This resource crunch adversely affected both, public and promoted private sector in all levels of education. India’s education sector is still developing. It requires as much attention and investment from private and foreign players as it does from the Government. Between 2011 and 2012, the number of projects in education and training increased from 17 to 26, while capital investment decreased from US$246.8m to US$206.8m (INR13.3b to INR11.1b). The US is the top investor and Bengaluru, Mumbai and Pune are the top destinations for education projects.

According to EY’s report 40 million by 2020: preparing for a new paradigm in Indian higher education, the higher education sector in India is forecast to grow at 18% per annum until 2020. This is because of the service-driven model of the Indian economy and the growing demand for quality education. Furthermore, there are considerable opportunities in new niche sectors, such as vocational training, finishing schools and e-learning.

OBJECTIVES OF THE STUDY:
1. To study the positive aspect of promotion of FDI in Education.
2. To study the growth of Indian higher education sector.

SOURCES OF DATA:
The data has been collected through secondary sources, journals, magazines, articles, websites etc.

Growth prospects in Indian higher Education sector:

In India around 14.6 m students have enrolled in higher education, which makes our country the third highest number of students behind USA and China. India has approximately 550 Universities and around 31,000 colleges. Although annual enrolments in higher education have grown steadily over the last decade but the GER (Gross Enrollment Ratio) of 15 percent is way below the global average of 26%. The Indian government has set a target of achieving a Gross Enrollment Ratio of 30% by 2020 which will give tremendous boost to higher
India will require 1,000 more universities and 50,000 more colleges to be built in the next decade to accommodate 50 million college-age students in next few years. Government may not prefer to fund such a huge investment and call upon the private sectors and encourage FDI to upgrade and create infrastructure of world class standard for higher education.

Positive aspect of promotion of FDI in Education:
The inflow of Foreign Direct Investment in higher education will facilitate the following benefits:

1. Increase in number of universities & Institutions will create substantial opportunities for the students for further studies and growth.
2. Students will be able to access best universities of the world. International exposure of higher education in India will help in curtailing the immigration of students. It will enable Indian students to access superior quality higher education in the country itself at relatively lower cost, and thus not permit the outflow of our foreign exchange reserves.
3. Indian students will get opportunities of International Qualifications & degrees
4. Foreign collaborations will help in creating new colleges and Institutes and at the same time building of infrastructure will generate more employment.
5. There will be utilization of improved infrastructure, World class technologies, labs and libraries.
6. It will create competition within the Institutions and in due course there will be quality improvements.
7. It will also facilitate Curriculum and Technological innovations amongst the universities.
8. Better technology and infrastructure will help further in research and development area.
CONCLUSION:
In the recent years, the education sector of India has witnessed a paradigm shift which resulted in substantial increase in the market share of the education industry. With availability of enhanced technology, it was extremely essential to expand the Indian education sector in order to maintain stable economic growth in the country. The Indian educational system has tremendous potential for growth. India was considered as one of the most learned nations in ancient times. Indians have always respected knowledge as essential for the growth and development of society. FDI is definitely invigorating the Indian educational system through collaborations with existing institutions and generation of funds for innovative programs. However, funds were one of the important aspects to achieve growth in education sector of India and FDI will definitely raise the quality and standard of education.

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