Who benefits from the influx of foreign universities in India? Not students

For Andrew Atherton, August has always been the calmest month in British academia. The long summer holidays linger, the weather is mild, and students drift back to campus slowly, almost lazily. For decades, he's timed his annual rhythms around this quiet. Not this year.

Atherton, vice-president for international engagement at the University of Southampton, spent the summer not in leafy Hampshire but in the dust and drizzle of Gurugram, overseeing Southampton's new campus—the first British university to plant its flag on Indian soil.

Approval came in January 2024; by July 2025, lectures were already underway. "We put ourselves under a little bit of pressure," he said, understating a year-and-a-half dash to build a university halfway across the world.

But in a market that's just opened up, speed is everything. Eight other British universities are already lining up their own Indian outposts. The Australians—Wollongong and Deakin—have even managed to sneak in early, running a year of classes in Gujarat's Gift City.

The rush began with a single regulatory switch. In December 2023, the University Grants Commission (UGC)—the national regulator for higher education—announced that foreign universities could open local campuses and repatriate their profits—ensuring that the privilege is not exclusive to those tucked inside special economic zones like Gift City. Overnight, India's $65-billion higher-education market became fair game.

Now, the race is on. Universities are scouting real estate, signing up local partners, and lobbying state governments eager to host them. For the states, these campuses promise bragging rights and a gloss of international sophistication. For the Centre, they promise something more pragmatic: a way to plug the leak of students—and money—flowing overseas.

More than 1.8 million Indians now study abroad, and every tuition payment chips away at the rupee. The timing is awkwardly propitious: stricter immigration rules in the UK, Canada, and the US coincide with a weakening rupee.

Brain drain | Student remittances have gone up more than 12X since 2014, per Reserve Bank of India data

Foreign universities, of course, smell the opportunity. For students who can't afford the full foreign experience, here's a Western degree at half the price and none of the visa-and-airfare stress.

But the universities are putting scale before substance. The first entrants are not Oxbridge or the Ivy League, but they are middle-tier universities chasing growth. And none of them can conjure employment for the graduates they will soon add to the country's already-crowded job market.

Come one, come all

States are tripping over themselves to host foreign universities. Maharashtra is building an "educity" in Navi Mumbai that will house five of them. Tamil Nadu, Telangana, Karnataka, Haryana, and Uttar Pradesh are all pitching their own versions. Everyone wants a piece of the higher-ed gold rush.

The road to this frenzy was actually paved years ago. India's 2020 National Education Policy (NEP) first proposed that "selected universities among the top 100 in the world" could operate in the country. It took another three years for the rules to show up.

The University of Bristol, York, Aberdeen, Liverpool, Queen's Belfast, and Coventry from the UK have all announced plans in the past year. So have Victoria and La Trobe from Australia, and Illinois Institute of Technology from the US.

With millions studying abroad—and many more who aspire to but can't afford to—foreign universities see a ready market. They can now sell international courses at nearly half the overseas price. A master's in business analytics from Deakin University in Gift City, for instance, costs about Rs 24 lakh for an 18-month course—roughly the same as a two-year MBA in business analytics from Symbiosis.

The idea, in principle, is simple enough. A university submits an application to the UGC's standing committee, indicating where it wants to set up shop. The committee reviews it, calls them in for what is essentially a high-stakes interview, and issues a letter of intent. After that, it's between the university and whichever state government has offered the best deal.

But none of the "top 100" universities—based on reputable rankings like Times Higher Education or QS—that the policy once envisioned, except Southampton and Bristol, are setting up in India.

The UGC saw this coming. Between 2020 and 2023, it quietly softened the bar: instead of the top 100, now any university ranked in the top 500 can apply. The hope, officials said, is that this will pave the way for the truly elite—eventually.

The precedent, after all, exists. "Countries like the UAE (with NYU Abu Dhabi) and Malaysia (with Nottingham) show how supportive regulation can draw elite institutions," said Mamidala Jagadesh Kumar, former UGC chairperson who retired in April.

And India has been very supportive indeed. While the NEP created the doorway, the new regulations essentially left it wide open.

Foreign universities don't have to follow the same rules as their Indian peers. They can skip the much-debated "multiple-entry, multiple-exit" system that lets students drop out at different stages. They can also ignore the mandatory four-year undergraduate degree with a research option in the final semester.

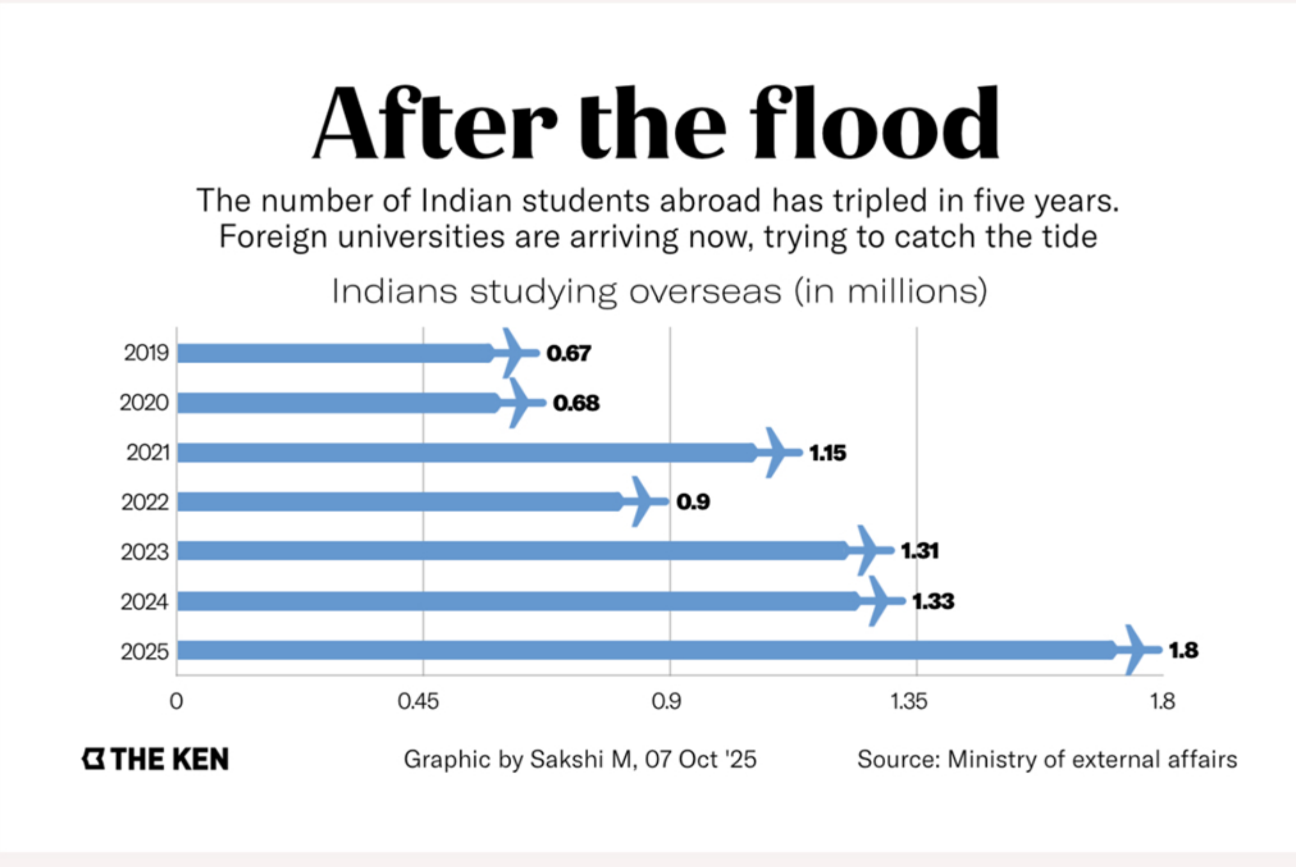
Their only real obligation is to replicate the degree they offer back home. And as long as they steer clear of the social sciences—which the regulations explicitly discourage—they can teach whatever they like.

That's how Deakin can offer an 18-month postgraduate degree in India and still claim its graduates—however few—are already being placed. No Indian university can do that.

"Universities are looking at themselves more like businesses," said Namita Mehta, president of The Red Pen, an education consultancy. "They're looking to grow. Even if you increase seats by 10% in the UK, that won't amount to much. They're looking at a place like India, where [quality] higher-education demand far exceeds capacity."

That logic has been building for years. Many British and Australian universities now depend heavily on international students—mostly Indian and Chinese—for revenue.

A fifth of all UK universities' income comes from foreign students who pay two to three times what locals do, wrote *The Guardian*. But as immigration laws tighten, the export model starts to falter. The UK has made post-study work visas harder to get. Canada rejected 80% of Indian student visas this year. (*The Ken* earlier wrote about how Canada is making life hard for Indian students.) Donald Trump wants US universities to cap foreign enrolment at 5% per nationality.



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So if students can't come to you, you go to them. And you make it profitable. Private universities in India operate on margins of around 30–35%, according to an executive at edtech firm Emeritus.

And it's not just universities chasing this money. Players like Emeritus—one of the few edtechs to survive the sector's great unravelling—have found a new growth lever.

The company, which raised $150 million last October, made its name selling executive courses in partnership with foreign universities. Now it's using those same relationships to bring the universities themselves to India.

Softbank-backed Emeritus is currently in talks with seven universities—Illinois Institute of Technology, Bristol, York, Aberdeen, Liverpool, Victoria, and La Trobe—to form a joint venture, *The Ken* has learnt. The company will reportedly bankroll the infrastructure, betting that the brands alone—or simply the promise of a "foreign degree"—will attract students.

These partnerships come in all shapes. Southampton, for instance, identified its own property in Gurugram and funded the refurbishment itself. But it has also brought in Oxford International Education Group to handle the operational grind: hiring faculty, recruiting students, and keeping the lights on.

Why fix education when you can import it?

For state governments—and for the Centre—foreign universities are a convenient solution to two headaches at once. The first is political: the uncomfortable question of why so many Indian students are fleeing abroad, and what the government is doing about it.

"This is a shorter route to upgrade their higher-education quality," said Anurag Shukla, visiting faculty at the Tata Institute of Social Sciences. "Which otherwise takes decades."

The numbers explain the urgency. According to the Reserve Bank of India, Indians remitted over Rs 29,000 crore abroad for education in 2023–24. A decade ago, that figure was Rs 2,400 crore. The number of education-related transactions jumped from 360,000 to 940,000 over the same period.

And the outflow isn't slowing. In 2016, roughly half a million Indians studied abroad. By 2025, it tripled.

So, when states announce partnerships with "world-class" foreign universities, it's also optics. "They would rather call in these universities than invest in strengthening their own education system," said Surajit Mazumdar, president of the Federation of Central Universities Teachers Association. Imported prestige looks faster—and cheaper—than institutional reform.

But the real motivation might be simpler still: money and marketing. "It's a signalling exercise," said Shukla. "States want to show how investment-friendly they are. They see this as a way to create knowledge economies, just like Gujarat used Gift City."

He pointed out that, back in 1998, Hyderabad beat out Mumbai and Bengaluru to host the Indian School of Business, a coup that turned then chief minister Chandrababu Naidu into a reformer icon and Hyderabad into an investor magnet. Every state now wants its own version of that play.

Foreign universities, then, aren't just about higher education. The campuses may teach degrees, but what they really confer is legitimacy.

'Foreign degree' sounds nice. 'Job offer' sounds better

The uncomfortable truth, however, remains that the world's elite universities aren't landing on Indian shores. The Ivy League isn't packing its bags for Bengaluru. Oxbridge isn't eyeing Navi Mumbai.

It's not snobbery. Most top-tier institutions avoid branch campuses altogether. Cornell and NYU are the exceptions that prove the rule. Replicating what makes them elite is hard. They can export a syllabus, but not the social capital, not the faculty, not the prestige that comes from being there.

"A top institution will not easily come here and set up shop and create a condition where two degrees from the same university are not comparable," said Mazumdar. "They would not like to devalue their degree this way."

So the institutions coming in are pragmatic. Southampton, for instance, will have guest faculty from the UK—but most of its staff will be local. The university is clear-eyed about that. But a university isn't just its lectures. It's the experience: the societies, the dorm gossip, the protests, the bad coffee, the weather. The intangible stuff.

"When you go to a university, the students become your marketing engine," said Mehta. "They tell others 'I had a great experience here, go here.' They're not just looking for great classes, but clubs, facilities, and community."

That's hard to recreate in a corporate building off Golf Course Road. And then there's the job market.

Even the Indian Institutes of Technology (IITs) saw placements drop by around 10% this year. Southampton knows this, which is why before launching in Delhi, it inked internship and placement partnerships with Deloitte and Investec.

Still, the migration math doesn't change. For most students, studying abroad isn't about the degree at all. It's about the visa stapled to it. The foreign campus in Gurugram can give them a British education, but not a British work permit. The dream, after all, isn't to earn a Western degree—it's to *go* where that degree can take you.

India's new education experiment may keep more rupees at home and make a few states look globally savvy. But if the real currency of aspiration is still mobility, not education, then the race to host foreign universities may only end where it began: with students still boarding flights, chasing the very thing that no imported campus can sell.

For Atherton, who traded Southampton's lawns for Gurugram's high-rises, the bet is that India's enthusiasm will outlast the cynicism. "It is a large investment, but we expect to break even in four to five years," he said.