

Post-pandemic higher education: ed-tech faces a changing landscape as NEP drives a permanent shift

Synopsis

During the pandemic, the K-12 segment witnessed a frenzy over digital learning, which is settling down now. By contrast, a quiet transformation is underway in higher education, with changes planned under the National Education Policy and programmes announced by the University Grants Commission. Here's a look at the key aspects and their impact on various stakeholders, especially ed-tech.

Soon after the pandemic broke out, investor and author Morgan Housel shared a well-known nugget, yet often undermined. It is a common mistake to read a temporary shift as a permanent one, he said, but a bigger mistake is not recognising a permanent shift and assuming that it will pass.

Curious as it may be, both these scenarios are playing out in ed-tech at the same time.

The frenzy over digital learning during the pandemic underestimated the fact that people need institutions to belong to, that learning impact may not be achieved only through online education, and students will return to the places they trust for learning. All of these are unfolding in the K-12 segment.

However, it's a different story in higher education. The raft of changes suggested by the **National Education Policy (NEP)** and the recommendations and programmes announced over

the last few months by the University Grants Commission (**UGC**), the primary regulator for higher education, have the capacity to completely transform the sector. While the activity in the K-12 market has been more visible, the changes in higher education have been quieter, with features of a permanent shift that many might miss. What are the regulatory and policy shifts and how will they impact stakeholders, including ed-tech, and open up areas of new opportunities?

Contours of the shift

First, the market is humungous. Estimates from data platform HolonIQ indicate that the share of global online higher education will increase over the next few years.

Next is the policy and regulatory landscape. Aarushi Jain, head, education, media and intellectual property, at law firm Nishith Desai Associates, highlights a few critical aspects, which are classified below based on those they would impact.

Impact on institutions:

- India's education ministry has invited global top-ranking universities to set up campuses in India with freedom to set their curriculum. UGC is drafting the rules around this.
- The government is also looking for investments from across the globe to develop quality education infrastructure.
- The International Financial Services Centre Authority has issued draft regulations on setting up and operating

“international branch campuses” and “offshore education centres” by foreign universities and educational institutions in India. This would allow such institutions to either set up institutions individually or in collaboration with Indian partners.

- A committee formed by the education ministry has recommended that Indian Institutes of Technology could start institutions abroad with their brand name. This recommendation was based on inputs from 26 Indian embassies across the world. The UAE, Egypt, and Saudi Arabia are the top three destinations to show interest in the framework. The committee recommended programmes in areas such as computer science, information technology, data science, artificial intelligence, machine learning, robotics, electronics, mining, and energy.
- The government recently launched Polyversity, a virtual-university platform that will host a range of academic institutions.

Impact on students — focused changes in the curriculum:

- Earlier in the year, the UGC had spoken about foreign-collaboration regulations that would permit twinning, and joint and dual degree programmes between Indian and foreign universities. About 250 foreign institutions from 60 countries have been identified for the dual degree programmes.

- The UGC is also speaking about degree programmes in emerging areas of interest such as public policy and well-being. Besides, there could be curriculum additions based on rising job demand in areas such as green jobs.
- Students can pursue two degree or diploma programmes simultaneously, where both may also be offered in online, offline, or hybrid mode.
- The regulations on academic bank of credits (ABC) and multiple entry and exit (MEE) will provide flexibility to students to redeem credits from various courses (including online) to obtain a certificate, diploma, or degree.
- While the Common University Entrance Test (CUET) for 50-plus Central Universities has started, the underlying idea of 'one nation, one exam' could bring about a drastic shift in the approach to post-school competitive exams and college-entrance assessments. It could also have a sweeping impact on the test-prep ed-tech segment.

Impact on teaching:

- The UGC has issued guidelines on engaging industry experts to be hired as faculty in universities and colleges. Such experts may come from fields such as engineering, science, technology, entrepreneurship, commerce, social sciences, media, literature, fine arts, civil services, armed forces, law, and public administration. They will be designated as “professors of practice” and will have a tenure of a maximum of three years. Read the detailed analysis of this plan [here](#).

Impact on investments:

- Under the newly notified Overseas Investment Regulations, a registered trust or society engaged in the education sector in India can make an overseas investment in a foreign entity (which can even be a private entity) engaged in a similar sector, subject to **RBI** approval, and certain other conditions, including consent of the trustees and board members.
- This means that:

(i) An educational trust or society running a school or university in India can invest its surplus funds in a foreign entity for equity or other instruments.

(ii) There seems to be no upper ceiling on the investment amount or the stake that the Indian trust or society can have in the foreign entity.

(iii) The tax treatment on this investment transaction should also be neutral, as the return on investment should not be taxable in the hands of the trust or society provided that it has obtained an exemption under Indian income-tax rules.

- Given the focus on internalisation and externalisation of Indian education, this is an opportunity for educational trusts and societies to expand their footprint overseas and make some money in return.

Opportunities and the challenges

First and foremost, there could be opportunities in the types of new curriculum and programmes that will be needed.

Moving away from the inordinate pressure of board examinations and test-prep, this could sharpen the focus on

career-focused programmes.

Explaining his thoughts on emerging curriculum choices, Santanu **Paul**, CEO and managing director at TalentSprint, says, “We are looking at the intersection of sectors. Examples include New Age automotive engineering, 5G telecom and AI, digital healthcare, and power-sector policy.”

TalentSprint has more than a dozen non-conventional programmes under development, he adds. “We also fully expect to launch executive education on select topics in climate science and electric and hybrid vehicles.”

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— Santanu Paul, CEO and managing director at TalentSprint

Apart from that, new curriculum and programmes could drive collaboration between universities and ed-tech providers. “This will open up opportunities for us to collaborate with foreign universities looking for local partners in India, so that they hit the ground running and bypass the complexities of setting up a greenfield operation from scratch,” says Paul.

Meanwhile, the flurry of changes emerging after the pandemic has led to several questions among students and their parents. In such circumstances, unbiased and focused **career** guidance is emerging as a key need.

“With the implementation of policies like ‘one nation, one exam’, emerging pathways from school to higher and vocational education, and flexible discipline combination in undergraduate studies, we are seeing huge stress and confusion among students,” says Ayush Bansal, founder, iDreamCareer.com. “Career guidance is helping students get the right information, evaluate the flexible possibilities, and find a right career or course, keeping in mind the changing NEP policies.”

Paul adds that India has had an isolationist stance for far too long. Therefore, he believes twinning programmes will help globalise the higher education sector. However, this is going to work best for private colleges and universities, which are not necessarily focused on affordable education, he says.

“Our systems have not been porous historically, which means academics and practitioners do not understand or even trust one another. I do not think we need more guidelines to enable this. What we need is sweeping deregulation, so that the archaic rules of segregation can be eliminated once and for all.”

Paul and Bansal agree that there would be short-term challenges.

“It makes enormous sense to let students cherry-pick courses from across institutions and bundle their own custom degrees. We have had initiatives like NPTEL and Swayam. Now it is time to take the idea to next level. However, I expect difficulty and friction regarding who will finally award the degrees and diplomas,” says Paul.

Professor **Rajesh Khanna**, president of NIIT University, believes that NEP provides opportunities for a student to become a domain expert through ease of mobility across academic campuses, but it is necessary that she is anchored in her primary university till the award of a degree. “Devoid of this primary connection, the untethered student will have to pick up life skills, knowledge, and experience from the unregulated world outside the university system. This may compromise the underlying philosophy of NEP — the holistic development of the students,” he says.

Bansal raises two other key questions critical for implementation. First, can UGC be clear in its guidelines on higher-education institutes while implementing the flexible discipline policy? Second, can the National Testing Agency implement successful and seamless execution of exams under the ‘one nation, one exam policy’?

The concerns over conducting CUET, he believes, from on-ground discussions, have led to a large number of dropouts, especially for low-income family students. Students should not suffer because of policy changes, says Bansal. There is a need to ensure that instances such as Delhi University’s four-year undergraduate programme rollback in the past are not repeated, he adds.

One of the biggest allegations against some of the highest funded ed-tech companies has been aggressive selling and mis-selling. With more opportunities emerging now, can the sector move away from selling by fear to providing solutions

driven by the needs of students and regulation? That would be a big shift indeed — and a much-needed permanent one at that.