

Trump Effect : Opportunities for internationalisation of Indian universities

With major study destinations imposing visa restrictions, India has a strategic opportunity to expand its role in global education.

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Indian HEIs can offer quality education at 25% of the cost of comparable institutions in the west, with home comforts and good industry exposure. | Photo: iStock/ Getty Images

As per the Government of India, the number of Indian students pursuing higher education in foreign universities has gone up steeply by 47% in the last two years, from about 907,000 in 2022 to 1,330,000 in 2024. In the last three months, however, policy measures taken by the U.S. President Trump administration are discouraging students to go to the U.S. for higher studies.

Governments at destinations like the U.K., Australia, and Canada placing restrictions on student visas and caps on admission of foreign students presents an excellent opportunity for India to attract more foreign students, besides retaining some Indian students back home. This article analyses the factors affecting international students' mobility and opportunities for internationalisation and suggests strategies to tap the emerging market by Indian universities.

U.S. and Canada, attractive destinations for higher studies for Indian students

According to Government of India statistics on Indian students studying abroad in 2024, Canada comes on top, with 427,000 Indian students, followed by the U.S. with 337,630, the U.K. with 185,000, Australia with 122,202, and Germany with 42,997. The U.S. and Canada have been the hot spots for higher studies because of the quality of education, fee waivers offered, availability of career opportunities, post studies and exposure to global work environment.

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Canada's popularity surged due to easier Permanent Residency (PR) pathways and work permits. The students that go to the U.S. on student visa (F1) are allowed to work full-time or part-time in the U.S. for a limited period of time as a part of the Optional Practical Training (OPT) scheme. In study fields like Science, Technology, Engineering, and Mathematics (STEM), needed by IT industry, OPT could be extended for an additional 24 months, from one year. This enables the students to pay back the loans availed for the studies during this period. Subsequently, they could secure regular jobs, after obtaining H1B Visa and build a lucrative career there. U.K. saw good growth in foreign student enrolments, after reintroducing the Post-Study Work Visa (Graduate Route) in 2021.

Also Read: [Starmer announces tightening up of U.K. migration](#)

About 40% of the students who go to the developed countries for higher education pursue post-graduation in Engineering, followed by 25% in Management. It is estimated that over 75,000 Indians study MBBS in East and Central Asian countries like China, Russia, Georgia, Uzbekistan, the Philippines, Kyrgyzstan, and Ukraine (before the war with Russia), as it is recognised worldwide, more affordable and easier to get admission.

Radical policy shift in the U.S. higher education

After the re-election of Donald Trump as the President of the United States, in January 2025, things have changed. Trump's administration introduced significant policy changes in higher education, particularly in the realms of immigration, visa issuance, and revoking student visas. Federal funding support was drastically cut to major U.S. universities for research and Diversity, Equity, and Inclusion (DEI) initiatives, thereby reducing the scholarships and hiking the program fees steeply.

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The 24-month extension for STEM OPT is likely to be removed. It is proposed to set a cap on international student visas at top public universities to prioritise domestic students. With more U.S. employers preferring to recruit locals, job opportunities for international students are expected to come down steeply. Recent visa withdrawals and suspension of international students in some of the U.S. universities have created uncertainty on security and safety of the students.

Visa restrictions and enrolment caps in Commonwealth countries

On May 12, 2025, the U.K. Prime Minister, Keir Starmer, announced measures to cut migration, including restrictions on skilled worker visas and tightening citizenship rules. Canada, Australia, and some European nations are also in the process of tightening visa restrictions and setting enrolment caps for international students, including Indian students, citing concerns on immigration growth, housing shortages, and other social and economic factors. These changes will limit the influx of international students, seeking to study abroad in these countries.

Diplomatic standoff between Canada and India, coupled with new student visa regulations introduced in 2024, witnessed a 41% drop in students going to Canada in the last year. The decline was about 27% for the U.K. and 12-13% for the U.S. and Australia, as per the Bureau of Immigration data.

Advantage India for international students

This presents a good opportunity for Indian Universities to scale up international admissions. Several Indians who wanted to pursue higher education abroad earlier are now keen to stay back. Considering the huge global demand for IT professionals, India, with its large IT industry, coupled with the capacity for quality engineering education, is well placed to attract foreign students in IT and allied disciplines.

Besides, areas like Indian Traditional Knowledge Systems, like Yoga, Ayurveda, Vedic Literature, and Buddhist studies, are of interest to some of the international students. Indian HEIs can offer quality education at 25% of the cost of comparable institutions in the west, with home comforts and good industry exposure. Salary levels in India are comparable to the ones abroad, when compared on Purchasing Power Parity (PPP).

International mobility of students -China emerging as the top destination in Asia

As per the OECD study on international students' mobility (March 2025), affordability, university reputation, language, cultural ties, research excellence, and employment prospects are key factors in attracting international students. A survey, conducted in April 2025 of 27,400 prospective students, representing over 195 countries, revealed that for the first time, China has emerged among the top 10 global destinations for international students and is ranked overall eighth, third for university rankings, and twelfth in the world for achieving career goals.

It is estimated that currently, over 450,000 foreign students are studying in China, including over 50,000 from South Korea, 23,000 from India, and 21,000 from the US. Programs preferred in China include Medicine, AI, Data Sciences, FinTech, Luxury Management, International Business, China studies (Chinese Law, Chinese Culture, China Global affairs etc).

How did China make it happen?

Over a period of time, China was able to ramp up foreign students studying in its institutions through a combination of policy interventions, enhancement of quality of education, branding, industry linkages, and post-studies employment. Over 50,000 students are admitted through fully funded seats annually by way of Belt and Road scholarships.

Besides, universities are paid an incentive of \$3,000 per foreign student enrolled. Digital platforms like Alibaba are used to recruit students. Over 500 global centers of Confucius Institutes are used as feeder systems. Companies like Huawei Tech offer guaranteed internships for top students. Automatic work permits are given in Free Trade Zones like Shanghai to foreign students that graduate in China.

Foreign students in India – current status

In the last two years, the number of foreign students in India grew by 35% from about 48,000 in 2022 to about 65,000 in 2024. Out of them, 40% are from Nepal, with the balance being from Afghanistan, Africa and Middle East. Over 32% of the students are studying Engineering (including Computer Sciences), 31% Medicine and 14% Business Management. There is an immense potential to double the number of foreign students in the next three years.

Policy initiatives by Government of India to attract foreign students

The New Education Policy 2020 advocates for the internationalisation of education in India through various measures. During May 2022, the UGC formulated regulations for academic collaboration between Indian and foreign Higher Educational Institutions (HEIs) to offer Twinning, Joint Degree and Dual Degree Programmes.

Twining is an arrangement whereby students enrolled with an Indian HEI may undertake their studies partly in India and partly, typically a semester, abroad. In a joint degree programme, the degree is awarded jointly by the Indian university and the foreign university. In a dual degree programme, the degrees is conferred by the two universities, separately and simultaneously, upon completion of requirements of both the institutions. HEIs are allowed to create up to 25% additional seats for international students, over and above of their sanctioned seats.

What is being done by Indian HEIs?

As of now, 13 Indian universities (Three public – IIT Madras, IIT Delhi, and IIM Ahmedabad, and 10 private) have set up campuses abroad, 11 of them in the Middle East and two in Africa. It is expected that 20 more HEIs will join them in the next 12 months. Three foreign

universities (Two from Australia - Deakin and University of Wollongong and one from the U.K. University of Southampton) already set up campuses in India.

Two more from the U.K. (Queen's University Belfast and University of Surrey) are planning to set up their Indian campuses by January 2026. It is significant to note that four of the above five universities preferred GIFT City in Gujarat, which is emerging as India's first international education hub, with world-class facilities, favourable legislation, and tax breaks.

A number of Indian HEIs, which include IITs as well as private universities like Ashoka University, ISB, Manipal, Shiv Nadar University, Chitkara, OP Jindal, and more, signed joint ventures for academic collaboration with foreign universities in Australia and U.S. and have been offering joint programs, with semesters abroad.

Four Indian business schools, IIM Calcutta, IIM Indore, ISB Hyderabad, and SPJIMR hold the distinction of "Triple Crown" of international accreditations from AACSB, AMBA, and EQUIS, whereas over 25 B-Schools have at least one of the three accreditations.

Challenges to attract international students

Regulations, though liberalised to some extent in the recent past, continue to be a constraining factor for signing up with foreign universities and introducing joint programs. International students look for physical infrastructure befitting their lifestyles so that they feel at home. Besides quality education, the students expect post studies work opportunities.

What more can be done?

India signed cross-border education agreements with Australia and the U.K. for mutual recognition of qualifications and promotion of mobility of students. There is a need to sign more such agreements with countries in South Asia. Going by the success of GIFT City, more such education Special Economic Zones may be set up.

The student visa regime needs to be simplified and extended to provide post-studies work opportunities in IT companies and GCCs. Besides IT related programs, interdisciplinary programs in emerging areas like Sustainability, Indian traditional Knowledge Systems may be offered. Digital Universities may be set up to offer online programs as well as blended delivery programs for international students.

Conclusion

As per the UNESCO, there are over seven million internationally mobile students. India is well-positioned to be the Asian hub for education, as it can be the value leader, offering Ivy League-quality education at Asian costs. Protectionist measures, being taken by the developed countries in the recent past, offer an excellent opportunity for the Indian universities to attract more international students.

To tap the opportunity, it needs concerted efforts, which include policy initiatives, more internationally recognised universities, with congenial infrastructure and post-studies work opportunities. It is equally important to promote the national brand "Study in India".

(Dr. O R S Rao is the Chancellor of the ICFAI University, Sikkim. Views are personal.)

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