

EDUCATION EMERGENCY

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Abstract :

The world of today is far different from what it used to be a few decades ago. Knowledge is the driving force in the rapidly changing, globalize economy, so is the “Higher Education” in reference with the General Agreement on Trade in Services(GATS).It is high time now, to ignore the seriousness of this issue.

India definitely appears to be in the midst of higher education reforms given the aggressive moves made by Dr.Kapil Sibal, the present Union Minister for Human Resource Development (2011). The present scenario under the LPG process shows that it is the service sector, which is steadily increasing its share in the gross domestic product (GDP) of the economy and is on a steady growth path. In spite of this, the GOI is spending only 01 percent of GDP, at present on higher education. If we think that, privatization and globalization may relieve us from public spending on the education of our citizens, we may be living in a fool’s paradise.

Key Words : LPG, GDP, GATS.

Introduction :

UNESCO has observed that India has lowest public expenditure on education per student in the world. D.S.Kothari Commission had recommended that 06 percent of Gross Domestic Product (GDP) should be spent on education (all sectors), but only **03 percent of GDP is spent on education at present** and about **01 percent on higher education.**

Our university system is, in many parts, in a state of disrepair...In almost half the districts in the country, higher education enrollments are abysmally low, almost two-third of our universities and 90 per cent of our colleges are rated as below average on quality

parameters... I am concerned that in many states university appointments, including that of vice-chancellors, have been politicized and have become subject to caste and communal considerations, there are complaints of favoritisms and corruption.

PM. Manmohan Singh

Theoretical Background :

India's higher education system is the third largest in the world, after China and the United States. The main governing body at the tertiary level is the University Grants Commission (India) which enforces its standards, advises the government, and helps coordinate between the centre and the state. Accreditation for higher learning is overseen by 12 autonomous institutions established by the Commission. Some institutions of India, such as the Indian Institutes of Technology (IITs), have been globally acclaimed for their standard of undergraduate education in engineering. The IITs enroll about 8000 students annually and the alumni have contributed to both the growth of the private sector and the public sectors of India. **However the IIT's have not had significant impact on fundamental scientific research and innovation.**

Several other institutes of fundamental research such as the Indian Association for the Cultivation of Science (IACS), Indian Institute of Science (IISc), Tata Institute of Fundamental Research (TIFR), Harishchandra Research Institute (HRI), **are acclaimed for their standard of research in basic sciences and mathematics.**

However, **India has failed to produce world class universities** both in the private sector or the public sector besides top rated universities which provide highly competitive world class education to their pupils; India is also home to many universities which have been founded with the sole objective of making easy money. Regulatory authorities like UGC and AICTE have been trying very hard to extirpate the menace of private universities which are running courses without any affiliation or recognition.

Indian Government has failed to check on these education shops, which are run by big businessmen and politicians. Many private colleges and universities do not fulfill the required criterion by the Government and central bodies (UGC, AICTE, MCI, BCI etc.) and take students for a ride. For example, many institutions in India continue to run unaccredited courses as there is no legislation strong enough to ensure legal action against them. Quality

assurance mechanism has failed to stop misrepresentations and malpractices in higher education. At the same time regulatory bodies have been accused of corruption, specifically in the case of deemed-universities. In this context of lack of solid quality assurance mechanism, institutions need to step-up and set higher standards of self-regulation.

Government of India is aware of the plight of higher education sector and has been trying to bring reforms; however, **15 bills are still awaiting discussion and approval in the Parliament.** One of the most talked about bill is Foreign Universities Bill, which is supposed to facilitate entry of foreign universities to establish campuses in India. The bill is still under discussion and even if it gets passed, its feasibility and effectiveness is questionable as it misses the context, diversity and segment of international foreign institutions interested in India. One of the approaches to make internationalization of Indian higher education effective is to develop a coherent and comprehensive policy which aims at infusing excellence, bringing institutional diversity and aids in capacity building.

Three Indian universities were listed in the Times Higher Education list of the world's top 200 universities — Indian Institutes of Technology, Indian Institutes of Management, and Jawaharlal Nehru University in 2005 and 2006. Six Indian Institutes of Technology and the Birla Institute of Technology and Science – Pilani were listed among the top 20 science and technology schools in Asia by *Asia week*.

The Indian School of Business situated in Hyderabad was ranked number 12th in global MBA rankings by the Financial Times of London in 2010 while the All India Institute of Medical Sciences has been **recognized as a global leader in medical research and treatment** ((Wikipedia.com)

March towards 21st century :

The twentieth century has been very eventful in the world history. it witnessed two world wars, Great Economic Depression of 1930's, severest crisis of capitalism and its ultimate revival, revolutionary rise and fall of socialist command economies of Soviet Union and East Europe, independence of several colonial countries, emergence of developing economies, sustained growth of global trade and information technology revolution. It was, also marked by Wall Street and global crash of stock markets in 1987 and stock market crisis in 1997.

The later phase of twentieth century has been dominated by “Economic liberalization” in various countries and pervasive influence of “globalization” in almost all the countries of the world. (B.Singh)

At present, India is celebrating twentieth anniversary of liberalization. The implementation of various agreements under World Trade Organization (WTO) has a time bound program. The GATS, one of the Agreements has a specific stage of implementation from 1st January 2005. The 'Service sector' of each member country, has to be liberalized and made open for global competition. 'Education' is one such important service covered under GATS (Think line, 39)

Importance of Service sector in Indian Economy :

The present scenario under the LPG process shows that it is the **service sector which is steadily increasing its share** in the gross domestic product (GDP) of the economy and is on a steady growth path. The share of value-added by services in GDP increased from 36 percent in 1980 to around 51 percent in 2002-03. **India's share in world export of service has also grown from 0.55 percent in the decade of 80's to around 0.76 percent by the beginning of new millennium.** Furthermore, the service sector provides employment to labor, especially in the informal sector, which is being compelled to get out of agriculture. According to the Planning Commission report on 'Employment Opportunities' revealed that the **total employment opportunities in service sector for 2002 was 125.36 million (28.4 percent)** of the total (832.82 million) employment opportunities in 2002. Although a large number of public services (water supply, education, health and sanitation) are still under public control (individual states and municipal corporations) there is an **increasing political pressure from international private service providers and also from domestic private service providers.**

Thus one can realize that, the trading in service in the Indian context does not only have fiscal and monetary consequences but also has political and social ramifications.

Research :

On 31st December, 2010 there are **544 institutions in total in India.** In addition, there are **31324 degree colleges.** The enrolment of women in higher education increased on eve of

Independence from 10 percent to 41.6 percent in 2010-11. Women enrolment as percentage of total enrolment was highest in Goa (59 percent) and lowest in Bihar (30 percent). But in absolute number of women enrolment **Uttar Pradesh tops the list** with 8.4 lakh, followed by **Maharashtra (7.8 lakh)** and Andhra Pradesh (6.1 lakh).

In Universities and Colleges there are “**Equal Opportunity Cells (EOCs)**” for ensuring effective implementation of policies/programmes for **weaker sections of society**. At present (2010-11), 128 such cells are working in different universities. During 2010-11, 277 orientation programmes, 814 refresher courses and 259 short-term courses were organized for teachers to exchange experiences and ideas and keep updated with the latest trends in educational field. Further there is a provision of 100 percent financial assistance basis i.e. up to Rs.60 lakhs for teaching and research in innovative areas, faculty improvement programme to pursue higher studies and presentation of papers in seminars (restricted to 20 percent of permanent teachers), bi-lateral exchange programme between India and foreign countries, National Eligibility Test (NET) and Junior research fellowship to ensure minimum standard for teaching, promotion of Indian higher education abroad, research projects to teachers (up to 12 lakhs for science and Rs.10 lakhs for humanities/social science for major projects and Rs.02 lakhs for minor projects), research awards to teachers, Centers for Studies in Social Exclusion and Inclusive Policy (35 universities selected), Centers for Study of Social Thinkers/Leaders, etc have been launched by University Grants Commission (UGC).

However, **the Indian Higher education has not reached, penetrated and achieved world class quality in both education and research.** (Yojana, Sept.2011)

Limitations :

1. UGC has over-regulated and restricted the autonomy of universities in India.
2. Non provision of adequate funds to state universities.
3. Drain of Indian students to foreign countries for quality higher education.

General Agreement on Trade in Services (GATS) :

The World Trade Organization (WTO) was born on 01st January, 1995. It is the only global international organization dealing with the rules of trade between nations. The goal is to help producers of goods and services, exporters, and importers conduct their

business.

GATS is administered by WTO which was made up of 147 member countries (23rd April,2005).The ambitious and ambiguous(uncertain) General Agreement on Trade in Services(GATS) sets out rules governing international trade in practically all services. All the members of WTO are covered by GATS. It does not define what it means by a service, instead offering a classification list of 160 of them based on a United Nations system, which, according to **Scott Sinclair, "reads like a catalogue of occupations and human needs"**.

GATS, is playing an active role where education services will be regarded as a "commodity" which is to be purchased or sold at the market price. We all know that, **only that commodity is purchased from market, which satisfies the consumer maximum against the reasonable price paid by him.** Here, the degrees, certificates, diplomas, trainings, apprenticeships etc will be considered "services" (commodity) to be provided by the private and foreign institutions across the globe. The customer is a 'student' but in case of India, this happens to be 'parents' who provides the financial aid to their wards and in return awaits a guaranteed or secure job in the future. The investment done by them, demands both quantity and quality. The State tries to provide these services to their locals.

The paucity of funds and other scarcities handicap the whole process of 'return of investment'.

GATS, under the guiding umbrella of WTO, defines four ways in which a service can be traded, known as "Modes of Supply"

A) Cross Border Supply of Service (Mode 1) :

The provision of a service where it ceases the border, physical investment of a customer is not required here.

Examples - Distance education, E-learning, maximum use of Information and Communication Technology (ICT), and using internet facilities.

The development is increasing in the form of courses sold over internet and the sale of CD-Rome and DVDs. This may be the fastest growing category of trade in education services, but precise data are not yet available. Advocates of liberalization, want to give young people better access to the internet, deregulate distance learning, and harmonize conditions of access to it and equivalence between courses as well as ensuring

recognition of diplomas at international level.

B) Consumption Abroad (Mode 2) :

Provision of service, which involves physical movement of customer to the country of the supplier. At present, this represents the main component of trade in education services, the setting up of establishments abroad by education services suppliers seems to be increasing significantly, although no data is available on this development. But, on the other hand, it also constitutes a form of commercial presence. In fact, several Asian countries allow foreign universities to establish “branches” on their national territory.

C) Commercial Presence (Mode 3) :

The service provider has presence of commercial facilities in another country to provide services i.e. it mainly refers to the setting up of private training institutes controlled by foreign firms. The main hindrance of expanding such market is refusal to recognize foreign institutes, awards and recognized qualifications, conditions related to nationality, etc..

Examples - local branch or satellite campuses, partnerships with local institutions etc.

D) Presence of Natural Persons (Mode 4) :

Persons traveling to another country on a temporary basis to provide services
Examples- teachers, professors, researchers, professionals, trainees etc. Limitations of such persons are the main drawback of expansion of such market.

The WTO mentions considerable growth in the area of trade in education services, particularly at the higher education level. (Think line 39)

India and GATS :

India is committed to changing global environment. Its schedule under GATS provides for specific commitments covering business services, communications, construction work for civil engineering, financial services, health-related services and social services, and tourism services. The extent of commitments varies across sector with certain restrictions on market access and national treatment under above mentioned four modes of supply of services.

India has not made any commitments on services relating to: distribution, education, environment, recreational, cultural and sporting, transport and other services included elsewhere.

In all, India has made commitments in 33 activities, compared with an average of 23 for developing countries. These commitments generally bind India's existing policy framework, though in some cases, the applied policy may be more liberal than the binding commitments. Except the horizontal commitment that are applicable to all the sectors, India has not made any specific commitment in the education sector.(2005). .As per the latest report (2005) of the Planning Commission on Foreign Direct Investment (FDI) related issues under the Chairmanship of N.K. Singh, foreign equity to the tune of 100% is allowed in the education sector on a case-by-case basis. According to Article 45 of Indian Constitution, primary education is a constitutional right of every Indian. The Directive Principles of State Policy also explicitly mentions that, the State Governments should provide an environment that would make education accessible to everybody. **“Education comes under the Concurrent List and the State List of the Constitution.”**

Benefits to India :

Definitely, **there are benefits and costs associated with both-export promotion and import liberalization in education services.** For instance, exports via consumption abroad could help to generate resources, create employment, expand facilities, and raise standards in education sector. However, it could also put pressure on already scarce resources in the education sector and crowd out domestic consumers. Exports via outflows of teachers and trainers could generate foreign exchange and remittances for the nation, but if permanent, could aggravate the existing shortage of human capital and drive down the quality of education services. Imports of education services via commercial presence can help augment resources for investment and expansion of facilities in the education sector. However, it may also cause two-tiering into a private corporate segment which caters to the affluent and provides higher quality and standards and a public segment which is under-invested, understaffed, and resource-constrained which caters to the middle and lower income groups. It is here, **the role of government is very important to use policies of cross-subsidization and introduce safeguards to ensure equitable access to all.**

Rationale of Trade in Services :

1. Providing access to wide range and educational opportunities to all;
2. Quality of education will be improved;
3. Competitiveness will ensure better services;
4. More skill oriented;
5. E-universities;
6. Providing identification to educational institutions across the world;
7. Cost-effectiveness and profit-oriented education;
8. A full-fledged market of 'educational services';
9. Reducing gap in technology and knowledge in developing nations;
10. Customer relationship management will prevail;
11. Increase in Foreign Exchange Reserves;
12. Existence of multi-culturism;
13. Using world-wide web (www) for improvement in education;
14. Reducing communication gap between developed and developing nations,
15. Economic and social development of the society etc.

Concerns over GATS :

India is a member of WTO, and is committed to liberalized global environment. India is emerging as a 'natural choice' for services, given comparative advantage in terms of low cost manpower and high computer literacy.

1. Threat of foreign dominance;
2. Exploitation of culture and national system;
3. National policies on education are at risk;
4. Regional language and mother-tongue at risk;
5. Problem of scholarships
6. Educational institutions as business enterprises
7. Problem of rural education etc

Now for the breaking news"-The XIth (2007-2012) and XIIth Plan (2012-17) advocates for **inclusive growth (upliftment of Aam Aadmi in all the walks of economic growth and development)**, in the **spirit of nation building and becoming a global**

power.”

If we think that, privatization and globalization may relieve us from public spending on the education of our citizens, we may be living in a **fool’s paradise**.

Findings :

1. UGC is the whole and sole authority with regard to higher education.
2. Syllabus is not updated to global standard.
3. Theoretical knowledge and not practical knowledge.
4. Mushroom growth of universities and private educational institutions, after liberalization without maintaining higher academic standard and transparency in administration.
5. Problem with the Payment mechanism, Approvals, confirmations, transfers, placements, Arrears, selection to refreshers/orientations programmes, Quality improvements programmes, lack of funds for conducting seminars etc.
6. Classroom capacity, unhygienic conditions, lack of infrastructural facilities.
7. Not a single Indian university including IIT and IIM gets rank in top 100 universities in the world (Times Higher Education Ranking) whereas Japan,China,Singapore,Korea etc find their status in world ranking.
8. In spite of 8-9 percent growth status, Indian economy is “Jobless Economy”.
9. Problems of unskilled and skilled workers
10. Low productivity in higher education,etc.

Conclusion :

In order to become a prosperous global economy India has to qualitatively strengthen her education, especially ‘Higher education’.

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