



General Agreement on Trade And Services and Growth of Higher Education In India

KEYWORDS

General Agreement on Trade and Services, Higher Education.

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ABSTRACT Education has an immense potential in creating and developing human resources as well as strategically contributing towards overall development of society, economy and polity. Education provides teaching skills to pupils that prepare them physically, mentally and socially for the world of work in later life. The present paper concentrates on the issues like growth of higher education institutions in India and challenges in front of higher education under the WTO-GATS regime. The results of the study showed that the process of globalization and privatization has put positive impact on the growth of higher education in India during the studied period. However, the study noted the declining share of gross domestic production on higher education in India throughout the studied period.

Section-I

Introduction

Education has an immense potential in creating and developing human resources as well as strategically contributing towards overall development of society, economy and polity. Education is generally seen, as the foundation of society, which brings economic wealth, social prosperity and political stability. Globalization signifies a process of 'Internationalization plus liberalization.' (Ahmed, 2003). In today's world globalization is rapidly increasing bringing with it expanded personal mobility, access to knowledge across borders, increased demand for higher education, especially in developing countries, growing worldwide investment; and increased needs for adult and continuing education. Education is one of the 12 services included in the list of activities, binding member countries to allow market access and to remove restrictions in the path of higher education. The General Agreement on Trade and Services (GATS) covered in the World Trade Organisation (WTO), also a product of the Uruguay Round, is a legally enforceable agreement aimed at deregulating international markets in services, including education. There are five education services under GATS: i) Primary education; ii) Secondary education; iii) Higher education; iv) Adult education; and v) testing and certification. However, the scenario of education outlined above is rather disconcerting both with respect to access as well as equity considerations. Only a small percentage of students can afford the higher fees of self-financing courses offered by private institutions or those of foreign universities. Some view GATS as a positive force, accelerating the influx of private foreign providers of higher education into countries where domestic capacity is inadequate. Others take a more negative view, concerned that liberalization may compromise important elements of quality assurance and permit private and foreign providers to monopolize the best students and most lucrative programmes.

India has a long and venerable history in the field of higher education. In ancient times, the country was known to have been home to the oldest formal universities in the world. The more striking of these ancient universities were Takshila (now in Pakistan), Nalanda (in the modern state of Bihar) and Ujjaini (in modern Madhya Pradesh). After attaining independence and during the period of three years

from 1947 to 1950, seven new universities were found raising the total number to 27 with 695 colleges affiliated to them. The total enrolment in these institutions of higher education was 174,000 in 1950-51. The growth rate of higher education had also been as high as 13-14 % during the 1950s and 1960s, but declined to about 2-3 % during 1970s. During 1980s and the early 1990s the overall growth rate had been about 4.2%. During the period of 50 years since 1950-51, the growth of higher education has been phenomenal. On an average, four to five universities and 225 colleges were established annually. The total number of universities in India at present is 368 and the number of affiliated colleges is 11,831 with a total enrolment of over 77.34 lakhs. (www.planningcommission.nic.in).

The present study aims at studying the impact of efforts of the government of India to up bring the level of higher education. The major objectives of the study are:

1. To review the current higher education scenario in India with special reference to General Agreement on Trade in Services (GATS); and
2. To depict the issues like growth and challenges in front of higher education in India under the General Agreement on Trade in Services GATS regime.

The present study has been divided into four sections. Section I studies the history of higher education in India along with the conceptual issues of TRIPs and higher education. Section II deals with the data base and methodology, Section III concentrates on the analysis of the data and section IV presents the main findings along with some recommendations for the growth and competitiveness of higher education in India.

Section-II

Database and Methodology

The data for the present study have been culled out from the various issues of Economic Survey and Department of Higher Education, Ministry of Human Resource Development, Government of India for the period 1990-91 to 2008-09. Colleges for general education, Colleges for Professional Education (Engineering, Technical, Architecture, Medical & Education Colleges) and Universities/Deemed Universities/ Institutions of National Importance Universi-

ties have been taken to study the growth trends of Higher Education Institutions in India.

Section-III

Results and Analysis

Growth of Higher Education Institutions in India

This section depicts the growth of different higher educational institutions in India during the period 1990-91 to 2008-09.

Table 1 Growth of Higher Education Institutions in India during the period 1990-91 to 2009-10

Years	Colleges for General Education (A)	Colleges for Professional Education, Tech., Arch., Medical & Education Colleges (B)	Universities/ Deemed Univ./ Instt. Of National Importance (C)	Total (A+B+C)
1990-91	4862	886	184	5932
1991-92	5058	950	196	6204
1992-93	5334	989	207	6530
1993-94	5639	1125	213	6977
1994-95	6089	1230	219	7538
1995-96	6569	1354	226	8149
1996-97	6759	1770	228	8757
1997-98	7199	2075	229	9503
1998-99	7494	2113	237	9844
1999-2000	7782	2124	244	10150
2000-01	7929	2223	254	10406
2001-02	8737	2409	272	11418
2002-03	9166	2610	304	12080
2003-04	9427	2751	304	12482
2004-05	10377	3201	343	13921
2005-06	11698	5284	350	17332
2006-07	11458	8354	371	20183
2007-08	13381	9718	406	23505
2008-09	15852	12030	440	28322

Source: Ministry of Human Resource Development, Government of India, [www. http://mhrd.gov.in](http://mhrd.gov.in).

From Table 1 above, it can be observed that the number of different types of higher educational institutions have grown continuously during the studied period. The introduction of GATS in India have shown a positive impact on the growth of higher education institutions in India. The numbers of Professional colleges have increased from mere 886 to 12030 during the period under evaluation. Similarly, the colleges for general education have increased from 4862 in 1990-91 to 15852 in 2008-09 during the same period. The total number of higher educational institutions have jumped from 5932 in 1990-91 to 28322 in 2008-09.

Public Expenditure on Higher Education in India

The government share in higher education has remained very disappointed during the studied period. Table 2 depicts the public expenditure on higher education. The public expenditure on higher education was 0.77 per cent of GDP in 1990-91, which has not even doubled after 17 years. In 2009-10 the public expenditure on higher educa-

tion is recorded 1.25 per cent of the GDP.

Table 2 Public Expenditure on Higher Education in India

Year	Expenditure on education in terms of % of GDP	Expenditure on higher education in terms of % of total expenditure on education	Expenditure on higher education in terms of % of GDP
1990-91	3.84	20.05	0.77
1991-92	3.80	19.73	0.75
1992-93	3.72	19.62	0.73
1993-94	3.62	19.61	0.71
1994-95	3.56	19.38	0.69
1995-96	3.56	18.25	0.65
1996-97	3.53	18.13	0.64
1997-98	3.49	17.76	0.62
1998-99	3.85	17.92	0.69
1999-2000	4.25	20.23	0.86
2000-01	4.33	20.55	0.89
2001-02	3.82	18.06	0.69
2002-03	3.80	18.42	0.7
2003-04	3.76	18.08	0.68
2004-05	3.73	17.92	0.66
2006-07	3.45	12.73	1.14
2007-08	3.64	13.29	1.09
2008-09	3.73	13.32	1.23
2009-10	3.75	13.63	1.25

Source: Department of Higher Education, Ministry of Human Resource Development, Government of India ([website: www. Education.nic.in](http://www. Education.nic.in)).

Gross Enrollment Ratio (GER) in Higher Education Institutions in India

Enrollment of students is a measure of immediate attainment of education. The enrollment of boys and girls at the age of 18-23 years is presented in table 4 below for the period 2001-02 to 2008-09.

Table 3 Gross Enrollment Ratio (GER) in Higher Education for 18-24 Years

Year	18-24 Years		
	Boys	Girls	Total
2001-02	9.28	6.71	8.07
2002-03	10.30	7.47	8.97
2003-04	10.59	7.65	9.21
2004-05	11.58	8.17	9.97
2005-06	13.54	9.35	11.55
2006-07	14.5	10.0	12.4
2007-08	15.2	10.7	13.1
2008-09	15.8	11.4	13.7

Source: Man Profile Report, 2004-05. Department of Higher Education, Ministry of Human Resource Development, Government of India ([website: www. Education.nic.in](http://www. Education.nic.in)).

The figures in Table 3, depict that Gross Enrollment Ratio (GER) in higher education is increasing at a very slow pace. The gross enrollment ration is found to be high for boys than girls during the period 2001-02 to 2008-09.

Export of Education Services

The emerging demographics have ensured that the demand for higher education is greater in 'younger' countries as compared to graying countries. Similarly, the supply of education services is greater in graying countries since

there are fewer young students to enroll in Universities. Indeed, the US is the largest exporter of education services in the world. The other large exporters are UK, Australia and New Zealand. Developing countries such as India and China are the largest importers of education in the world. Students from around the world are increasingly choosing the U.S for their higher education. Open doors report 2008-09 shows that the total number of international students at U.S colleges and Universities increased by 7 percent to a record high of 623,805 in 2008-09 academic years. Open door report also reported that the number of American students in India has been growing rapidly, although the numbers remain relatively small in comparison 2,267 during the academic year 2008-09.

Section IV

Conclusion, suggestions and recommendations

To sum up, the impact of GATS on the growth of higher education institutions in India is encouraging in one way and complex on the other. These two words sum up the current status of higher education system in India and debate about the impact of GATS on higher education in India. On the one hand, the number of higher education institutions is found increasing throughout the studied period, the share of public expenditure on the other hand, is declining as a percentage of GDP both for overall education and higher education in India during the studied period. Moreover, the USA is recognized as the largest exporter of education services in the world. Among the other large exporters countries UK, Australia and New Zealand have made significant contribution. In order to bring current higher education system out of crises the Government of India should encourage public expenditure on Higher education in general and technical education in particular. Moreover, efforts should be made to harmonize our licensing and qualifications requirement and procedures to world standards so as to create linkages of higher education to export of professional services.

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