Chapter – I
INTRODUCTION

1.1 INTRODUCTION

The initiation of LPG policies have brought sea change in all activities and sectors of the economy; the earlier barriers and restrictions on trade, movement of persons, capital, goods and services are relieved. Consequently the opportunities are increased along with the challenges. In recent years the importance of service sector is increasing; its contribution to national economy is major one. Further, the agreements of WTO and GATS have fueled the process of liberalization and significantly the structure and process of higher education system is changing. In this connection Dhar .S. and Dhar .U. quoted that, “The heydays of traditional Universities, with their campuses, lecture-rooms and flesh-and-bone teachers are perhaps going to be over.”1 At the same time, the quality and competence have become prerequisite factors for survival of individuals, industries, products and services; these aspects can be acquainted through the system of education in general and higher education in particular; in this connection, education institutions must have the quality and market value in their products (courses); because students are become supreme agents in determining the fate of education institutions. As Nuna Sheela expressed her views i.e. “Consumers of education today have profound influence on education system. They in a way dictate what education ought to be and look forward toward providers who satisfy their

aspirations,"\textsuperscript{2} therefore, the existing higher education system (Universities/Institutions) has to review its structure through adopting international level curricula, quality, infrastructure, competence and relevance; otherwise the pressure on higher education is bound to increase in future. It is therefore, high time that the universities and higher education system gears itself to face the demands and challenges of globalization.

The University and Higher Education is faced with newer challenges emerging out of an unprecedented changes taking place in different areas of the global plane. Expansions of knowledge and information technology have added new dimensions to this area. In view of this, university and higher education in the country needs to be transformed, supported and empowered accordingly. While quality and relevance of our higher education is a big concern, the lack of access and equity in higher education is no less important. In fact, promoting research and development, modern management in education, promoting basic sciences, education under GATS, etc. are the areas, which require immediate attention and these could be achieved only after the nation has a world-class university and higher education system. The education has been included as service under GATS; therefore the entry and growth of private initiatives in university and higher education sector is taking place and this trend is going to get further momentum in future. Hence, at this juncture the study on WTO and higher education is need of the hour; it contributes required information to policy makers in the said field.

\textsuperscript{2} Nuna Sheet, "Trade in Educational Services under GATS with Particular reference to Mode 3 Commercial Presence and Mode 4 Presence of Natural Person", paper published in Conference Volume "Internationalization of Higher Education: Issues and Concerns" held at National Institute of Educational Planning and Administration (NIEPA), New Delhi, 2004, pp. 109-121.
1.2 SIGNIFICANCE OF THE STUDY

Higher education has special value in the emerging knowledge society. It contributes directly as well as indirectly to the wealth and development of nation. The developments in ICT and initiation of liberalization policies have created a new world economic order. Consequently, the economic/education policies implemented in one country are influencing the economic/education order of the other countries; further the agreements of WTO and GATS have increased the scope of influence. Therefore, it is necessary to work on the said issue and prepare the country stronger in general and education sector in particular to maintain its existence.

The Higher education service comes under the WTO's GATS agreement; since India is founder member of WTO and its all general agreements apply to its member nations, but with specific agreement, nations will make commitment for them, so far India has not made any specific commitment to higher education under WTO's GATS. Hence, there is an urgent need to focus on the GATS implications on higher education service to face the future eventuality successfully and to get maximum benefits from WTO agreements. Moreover, very limited studies are concentrated on the issue of higher education in the context of GATS; in this connection, the present research is a unique study of its kind; it contributes to the enrichment of literature in the field of higher education with reference to GATS. Further, the study can be useful for the policy formulation, and implementation in the field of Higher education service.

Even though, it is an implication study; it makes useful contribution to the knowledge of higher education in the context of WTO regarding India's
commitment to higher education under GATS agreements. The analysis and implications would be of immense help to the concerned agencies, research scholars and policy makers to take appropriate steps in future.

1.3 STATEMENT OF THE RESEARCH PROBLEM

The education is prerequisite factor for nation building and the higher education has become inevitable in globalized world. Therefore the growth and prosperity of individual and nation depends upon approach of universities and system of education. With the initiation of policies of globalization, liberalization and marketization, new challenges have raised that have immense implications for the national economy with respect to higher education system. Further, the implementation of WTO and GATS agreements have made higher education sector more complicated by provided many opportunities and challenges.

Basically, education comes under service sector of GATS; higher education is one among the five categories of education sector. The higher education services are on the rise at international level and it is a potential area for trade; many developed countries are generating good revenue from trade in education. The importance of education services in promoting economic development is increasing. Therefore, it is peak time for India to checkout a suitable strategy for its higher education system. Hence, in this study an attempt has been made to investigate the provisions of GATS and its implications to Higher Education sector. On the other hand, mode-wise analyses of trade in higher education are presented and the present study will also serve to supplement the study for policy formulation.
1.4 OBJECTIVES

The following are the broad objectives of the present study viz.

1. To study the development over a period and present status of higher education in India.

2. To examine the article-wise implications of WTO's GATS agreements on the higher education system with reference to India.

3. To study mode-wise implications of trade in higher educational services in general and to analyze the mode II i.e. student mobility with reference to India in particular.

4. To present possible policy options and remedial suggestions in respect of higher educational services.

1.5 REVIEW OF LITERATURE

There are very limited studies made by Indian scholars to evaluate the Indian higher education on WTO's GATS context. There is a need for making the detailed review of literature on the present study to know the existing status of the problem, so that the researcher would be able to make an improvement over the existing studies and also expand the horizon of investigation on the subject matter. The review would also help in refuting the concepts and statements made in the earlier studies as well as support the finding of the present study. The reviews of available studies having direct or indirect relation to the objectives of the present study are presented here.
Takwale Ram\textsuperscript{3} has made an attempt in his study to find out the five types of transactions; which are related to foreign providers, viz., Formal-Twinning partnership, Distance Education-Twinning partnership, Networked partnership for Distributed Classroom and Networked Partnership for International Education, etc and highlighted the major issues with the foreign providers. The author opined that communication technology has predominant role in these five partnership transactions. It observed the two purposes of the evolving partnership: one is to get the knowledge and expertise necessary for the process of modernization and globalization; and the other is to employ the knowledge for the rapid socio-economic development of the participating countries. Further, the author felt essential to recognize the new paradigm of education under all the partnership mechanisms and further identified some major issues in foreign partnerships, viz:

- Assessment of quality and standard of the programmes.
- Recognition of the degree within and outside the country for employment and further admission.
- Ensuring equivalence with the comparable degrees offered in the two countries.
- Comparability for recognition within the country in terms of duration, content, level and coverage of knowledge and skills, competency development needed for professional/vocational courses, etc.
- Reciprocity-allowing each one to offer its course in the other country on the same terms and conditions.

Altbach G Philip\textsuperscript{4} studied the aspect of student mobility and highlighted the positive and negative aspects of multinationalization/globalization of higher education. He observed that more than a million students studying outside their home countries—majority of them from Asia and studying in the United States, Britain, Canada and Australia. In between 1996 to 1998, students going from Korea to the US increased by 15.5 per cent, from India by 10.4 per cent, and from China by 10.5 per cent. Japan, still the largest sending country to the US, increased by just 1.7 per cent and Hong Kong declined by 11.7 per cent. The hosts 4,81,000 overseas students, the large majority of whom pay all of their expenses. On the other hand, universities/institutions from industrialized countries are increasingly active in offering degrees through Offshore Campus/Twinning Arrangements; but increasingly foreign educational providers are setting up shop in Asia without working with a local educational institution.

The multinationalization/globalization of higher education creates various benefits and challenges e.g. it serves rapidly growing demand for access to higher education, stimulates cross-national educational innovation, prepares students for work in a global economy etc. and challenges like regulating of Offshore Provider and ensuring the quality, worthiness of programme and its charge etc. Finally, the author opined that Internationalizing higher education is a repetition of colonial era and where foreigners are welcomed with open arms. Hence it is time to stand back and assess the impact of the explosion of foreign higher education models in Asia. The current wave of multinationalizing higher education brings with it the

dangers of total lack of regulation and control. It is a bad idea, in education at least, to permit caveat emptor to dominate.

Altbach G Philip⁵ stated that multinational higher education is a big business, and it is about to get much bigger by giving two glaring examples of Jones International University and America’s private institute i.e. The University of Phoenix. These are not really universities although they have the term in their titles. They do not have regular faculty, nor is there the kind of participatory governance system typical of universities rather, they are degree delivery machines.

Further, author listed few facts on new multinational and distance phenomena. It operates in a largely unregulated environment and as the economists stated it as “demand absorbing”. They provide access at a very low price to those who seek it. The motive for establishing multinational higher education enterprises is almost always to make money. The multinational and distance movement does not really contribute to the internationalization of higher education worldwide; because there is little mutual exchange of ideas, long term scientific collaboration, exchange of students or faculty.

Hussain S⁶ highlighted various challenges in the field of higher education and ascertains time-bound action plans to solve them. Increasing population and increasing financial burden on the conventional education has become a big

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challenge, where distance education can cater the increasing demand for education problem through educating the masses. For solving the problem of finance privatization of education may be a necessary step; for this a proper planning for incorporating the idea of privatization is recommended. Further, suggested the establishment of Self financing units, imparting vocational and technical education. On the other hand, preservation of our own socio-cultural heritage along with acceptance of international exposures and technological advancement constitutes another problem area in the field of education.

Dhar Santosh and Dhar Upinder\footnote{Dhar Santosh and Dhar Upinder., "WTO and Education: Emerging Trends", in Panduranga Rao D (Eds), \textit{WTO and Competitiveness: Challenges for Indian Business and Management Education}, Excel Books, New Delhi, 2001, pp. 502-510.} made an attempt to identify the emerging issues and trends in international trade in education services; further highlighted the obstacles limiting the consumption abroad and commercial presence modes. They observed that the development of links between teachers and researchers, the setting up of establishments in abroad by education services suppliers, the international marketing of programs, and the establishment of new “branches” of universities seem to be increasing significantly.

The aspects like immigration regulations, exchange controls, non-recognition of equivalent qualifications work as obstacles for consumption abroad and on the other hand nationality requirements, restrictions on the number of foreign teachers employed, the conditions concerning the use of resources, the existence of public monopolies and subsidies to national establishments etc are important regulations for commercial presence mode. It is observed that the
agreements of WTO have changed the traditional methods of education with a multiplicity of new teaching and learning methods, new types of establishments have emerged, providing non-university courses, including part-time courses, evening classes, in-service courses and distance learning; and created much educational opportunities to youths with increasing their rate of participation in higher education. Among the emerging trends “twinning agreements”, “franchising” and “distance learning” are becoming increasingly popular.

Narag A.S. made a study on the University of Delhi and its efforts to promote its programmes for international students. The paper explains the available facilities for admission to foreign students and the problems of the foreign students. It observed from the study that, Delhi University has established the “Foreign Students Registry Cell” to carry out admission related activities of foreign students in the university and it made a provision of reservation of 5% of the total seats in first year of course at the undergraduate level in every college for the international students. University was receiving nearly 550-600 international students; among them approximately 80% enrolment was at the undergraduate level and rest at the Master, M.Phil and Ph.D level. And out of total foreign students, nearly 60 per cent were representing from countries like Nepal, Srilanka, Bangladesh, Mauritius, Kenya, Uganda, Vietnam and Tibet. On the other hand, major demand was for commerce and vocational courses and it has been increasing; further other courses like computers, basic sciences, Buddhist studies and languages etc.,

*Narag A.S., “International Students at the University of Delhi”, in K.B Powar (Eds), *Internationalization of Indian Higher Education*, Association of Indian Universities, New Delhi, 2001, pp. 190-192.*
The study found that University of Delhi was not aggressively marketing its education services. On the other hand, overseas students were facing problems of complex administrative process (formality) of their respective Embassies/High Commissions due to this they arrive after the last date of admission; the lack of good accommodation facility (hostel) in host country (India) was another problem.

Biswas Chandra\textsuperscript{9} has thrown light on the ways the complexion of higher education for the global market. The paper examined the ethics of globalization and its impact on education; it observed that international partnership arrangements are guided by profits than services. The author opined that, the cumulative effect of the operational dynamics of WTO as a global force has fractured the very purpose of education in India. In an attempt to arrive at a cultural homogeneity, it is arriving at cultural fragmentation. And higher education in India may be gaining relevance and prominence in global platform; but as a cost of success is compromising on its relevance for the Indian setting.

Prasad M. S. V.\textsuperscript{10} highlighted some of the significant modifications that are urgently required to revamp the working of the universities in globalized era. The globalization will necessitate the universities to equip themselves with the knowledge tools and administrative flexibilities to meet the competition globally; and the universities may have to develop an attitude by which students will be


treated as clients with continuously changing needs and ambitions, the curriculum would require constant change. Further, it must be emphasized that globalization of higher education will require definitive changes including the strengthening of infrastructure, creation of additional seats, streamlining of admission procedures, version of curricula to include global component.

The author strongly supported the promotion of globalization of higher education not only because of financial benefits but also because of the academic, political and social advantages that accrue from the presence of international students on campuses. On the other hand, he stated that the marketization of higher education is considered to be better than complete privatization. This involves allowing market forces to determine the need for setting up of institutions, the hiring of faculty, the choice of course of study, the methods of teaching etc. Further, it considered necessary to augment cost recoveries from students through tuition fees and other charges and need to introduce comprehensive scheme of loan assistance so as to, eventually, develop a self-generating and self-sustaining fund; and autonomy to colleges/institutions, continuation of government support to higher education institutions is needed; along with encouragement to private bodies under the guidance of the government and specialized agencies.

Bhalla Veena\textsuperscript{11} analyzed the data related to country-wise foreign students inflow to India during 1993-94 to 2001-02 and status of selected Indian universities in

attracting foreign students in 2001-02. The mixed and fluctuating trends were observed in students' inflow; the regions like South and Central Asia, East Africa and West Asia are sending the largest number of students. And there is sharp fall in the students from the African countries viz. Kenya, Sudan and Ethiopia; on the contrary, the students from the United States is increasing; it reflects the growing significance of Study Abroad Programmes in that country.

Further, it observed that about twenty seven (27) Indian universities attracted more than fifty (50) foreign students during 2001-02. The University of Pune (1630), Manipal Academy of Higher Education (1070) and the University of Delhi (1027) were the front runner among other in attracting foreign students.

Khajapeer M.\(^{12}\) has examined theoretical implications of GATS on Indian higher education system and analyzed the advantages and dis-advantages of GATS entrance. Internationalization of higher education helps the indigenous education system to impart an international dimension into the learning, research and service functions of higher education. Due to the demonstration effect of the foreign providers, the quality of higher education might get a good boost in the country; further it increases the access to higher education and the investment in the infrastructure of higher education. It is necessary for India to resort to distance mode to achieve tangible result, to increase the enrolments in higher education.

On the other hand, negative affects are highlighted viz. the possibility of emerging of two type of higher education system in the country, foreign provider

may not serve the objective of the National Education Policy and there profit motives would prove to be disastrous, the threat of foreign dominance or exploitation of a national system and culture are the matter of serious concern.

Knight Jane\textsuperscript{13} outlined the purpose and rules of GATS with its relevance to higher education and identified some key policy issues which needed to be addressed. The purpose of the paper is to update on the current GATS negotiations; elaborate on the implications of trade for the higher education sector, and finally, begin to situate trade of higher education services in the broader context of cross-border education. The author has raised important questions concerning quality assurance, professional mobility and recognition of qualifications, and considers the issues from the perspectives of both the developed and developing world.

There are six major sections in the paper. The first constitutes the introduction. The second provides information on the current status of the GATS negotiation process. A brief update on the number and nature of requests and offers is given. Several of the barriers that the United States has requested other countries to remove are listed to give a concrete idea of what liberalizing trade in education can involve. The third section includes a brief discussion on the rationales deriving countries to increase trade in education services through import or export. The fourth part identifies key issues of higher education policy related to potential impact of increased trade and new trade regulations. The issues addressed include the following: the role of government, students' access,

registration and licensing of education providers, quality assurance and accreditation, recognition of academic and professional qualifications, and funding among others. The fifth section of the paper recognizes the four trade modes outlined by GATS but suggests that they need to be situated in the larger arena of cross-border education. In the last section, the actions and interests of different stakeholders are described to illustrate the breadth of the debate. The conclusions reiterate that there are still more questions than answers. GATS is a new and untested agreement and we simply do not know what some of the intended and unintended consequences will be.

It is recognized that trade issues are closely related to the large issues of commercialization and commodification of education but the focus remains on the potential impact of trade rules on cross-border education. More attention is given to the delivery of education/training courses and programs across borders (modes 1 and 3) than to the movement of students to study in foreign countries (mode 2). Again, the intention is to take a balanced approach in discussing the implication of new trade rules and increased trade in education services; also potential benefits and risks are identified.

Powar K.B.\textsuperscript{14} explained the GATS framework and briefly reviewed the guidelines and regulations of AIU and AICTE for foreign education provider. Further, he presented the data of foreign education providers’ commercial presence in India;

\textsuperscript{14} Powar K.B., "Domestic Regulations Relating to Foreign Providers of Higher Education in India", paper presented in National Conference on "Internationalization of Higher Education: Issues and Concerns" held at National Institute of Educational Planning and Administration (NIEPA), New Delhi, 2004, pp. 43-52.
and observed that in late 2000 there were 27 providers having presence in India and which increased to 61 in 2004; which reveals that Indian market is being increasingly sought by the developed countries. Finally, the mechanism of Trade in Higher education in different (four) modes to India and the actions that are required to be taken (regulation/promotional mechanisms) are briefly discussed; and he opined that “Of the four modes of trade in services, consumption abroad and presence of natural persons do not pose any serious problem. However, there is a need to regulate commercial presence and to some extent cross border supply through the impact of the latter is presently not clear”.

Further, author highlighted the importance of domestic regulations in order to prevent the entry of non-accredited universities/institutions and ultimately safeguarding the nation’s interests; the intention behind the regulations are to facilitate collaboration and partnerships between Indian and foreign institutions, systematize the operation of foreign institutions already operating in India; safeguard the interest of the Indian student community; enforce accountability on the part of the foreign providers.

Tilak J.B.G\textsuperscript{15} has offered in his paper an analytical account of some of the prominent emerging trends in higher education and described how higher education is moving from state to market, and the costs involved therein; further it gives a quick review of some of the arguments being made in favour of the state versus markets and restated how important it is for the state to continue to play a

critical role in higher education. It is argued that any significant reduction in the role of the state in higher education is neither feasible, nor desirable, even if feasible.

The march towards marketization of higher education is taking place through a variety of measures: financial privatization of public universities, transfer of ownership of public institutions, and establishment of private institutions-private institutions with government support, self-financing private institutions (with government support), and profit-making private institutions-all focusing on short term market considerations and immediate market relevance; it indicates that the Government is encouraging higher education institutions to adopt market relevant policies. Further, study stated that any attempt to build a partnership between the public-private in education (middle path-state market partnership) may be counter-productive. Under state market partnership the market forces is tremendous and once set freed, these forces cannot be easily controlled and consequently the middle path state-market partnership ultimately converges with the total market system. Author strongly supported the public subsidization to higher education, but universalization of public subsidization to higher education may produce adverse effects, therefore, the solution to regressive effects of subsidies lies in progressive taxation system, rather in eliminating or reducing subsidies.
Sahni R and Kale S\textsuperscript{16} discussed in their paper the present system of higher education and attempted to find the possible implications for India in being a signatory to GATS. The paper analysed the broad structure of GATS and concentrated on some of its articles. It pointed out that the GATS agreements are in diverse; there are intrinsic pressures for pushing negotiations of ‘interest groups’. In the absence of a coherent education policy, the effects of opening up could lead to a distorted function of education in Indian society. The liberalization process of each mode opens up different sets of opportunities and challenges, though the modes are not mutually exclusive.

Under Cross-border supply mode, developed countries can get maximum benefit, but in Consumption abroad mode they are competing with each other, U.S. has been leading one in attracting overseas student, in U.S. higher education is the country’s fifth largest service sector export. From last decade, India and other countries in Southeast Asia have been attracting overseas students, which are improving. Developed nations are much interested in commercial presence, because there is large demand for higher education in developing countries like India and China, where foreigner can open their institutions and branches, if India committed for this mode of supply, domestic (internal) ‘brain drain’ of academicians occur within the field. Where as in mode IV i.e. presence of natural persons, developing countries has advantage over others, particularly, India has a comparative advantage in human resources. But developed countries are linking the mode III i.e. commercial presence with mode IV, means they are not much

interested on mode IV, they are following tight immigration policy and issue of the recognition of qualifications of this third world professional.

Article of Transparency is an uneasy one especially for third world countries, because it involves actually making the regulatory mechanism public. India faces many challenges in the regulatory mechanisms in higher education. And author further highlighted that, opening up of the sector to international institutions could deep the regional disparity, at the same time foreign provider may only concentrate on management education, where they get maximum profit.

Sharma H.D and Maheshwari L.K.\textsuperscript{17} have analyzed current-status of student mobility and trade in education; the study found that developed countries like USA, UK, Australia, Germany, France and Japan are attracting maximum overseas students, through their good quality education, good infrastructure, good visa support and free trade in education services. The maximum number of students (41\%) is going abroad for higher studies from Asian countries and Europe stands at second position. The second section of the paper, explains about changing pattern in international/transnational education services. In this aspect, developed countries formally declared their interest toward trade in education and they have revised education polices so as to help their education institutions to develop their education market. Australia and UK are capturing more market through their free trade policy. Due to Information and Communication Technology network Distance Education is expanding in the world and the

twinning programmes are getting good attention in developing and underdeveloped countries.

The third part, explains the internationalization of higher education situation in India, where India has not made any specific higher education commitment under the GATS. India is attracting less number of foreign students from developed countries, but it is attracting relatively high number of students from developing countries like Kenya, Nepal, Bangladesh, Srilank etc. Finally authors suggested several factors for internationalisation of higher education and trade in education service has to be more on business line with minimum governmental controls. Private participation has to be accredited by internationally so as to ensure international quality.

Meena\textsuperscript{18} focused more on the base of India’s responding to the GATS issue in concrete terms than forming the opinion about some educational policy framework. It has been predicted that in future mode III and mode IV will be in stronger position in the global market for education services and mode I also grow at larger extent; at the same time mode II become smaller. As the paper is focused on the base of India’s responding to GATS issue, it discussed the issue in four segments i.e. existing situation of higher education institutions in India, positive indicators for the India to respond to GATS, drawbacks where efforts from India are needed and concerns over GATS.

It observed that GATS is still an untested agreement on issues like Dispute Mechanism, Subsidies to education sector, Treatment of monopolies, Qualification

\textsuperscript{18} Meena., "Responding to GATS", University News, Vol.43, No.01, 2005, pp. 05-10.
requirements and procedures. Further, some concerns are expressed e.g. domestic/national policies on education at risk, only those skills will be enhanced which have the potential of marketability, increase in costs and tuition fees; commercialization of education, indigenous and regional educational system overlooked, humanities and non profitable subjects will suffer, problem of assessment and accreditation by different nations. The paper highlights the following measures need to be taken:

- To take more advantage from GATS, there is the need to increase the number of technical and professional world standard institutions which can compete with other private and foreign service providers.

- The fields which must be explored are Yoga, Music, Fine Arts, Sanskrit language, Ayurveda, Homeopathy, Unani, Naturopathy, Computer Application, Computer Science by using the modes of e-learning, distance education, CDs and various audio-visual aids, India can provide cost effective education to foreign nations. In these fields India holds mastery compare to other nations.

- Redefining the aims and objectives of higher education in GATS regime must be carried out and to be informed to the general public.

- The whole functioning of the educational system needs transformation via organizational approach, revision of University acts, continuously updating of syllabi, working conditions, financial funding, academic staff, educational infrastructure, its administration, accreditation, assessment etc.
Ahmad Nighat analyzed the international trends of student mobility in higher education; and briefly glanced over the measures taken by India in international education market and finally suggested few actions for implementation to increase India’s education market at international level. It has been observed from the study that education has treated as ‘tradable commodity’ in the world; consequently developed countries are taking advantages of it particularly OECD countries (USA, UK, Germany, France, Australia, Canada) account for almost 70 per cent of total tertiary level educational exports in the world and on the other hand the Asian countries are an important market for higher education.

Further, he has explained the steps taken by the Government of India for boosting its higher education at international level and attracting foreign students’ viz. establishment of Educational Consultants India Ltd (Ed CIL) as a nodal agency for placement and attracting more and more foreign students in Indian institutions; the District Administration of Students Abroad (DASA) scheme has been launched for encourage international students; on the other hand, an amount of Rs.1500 crore Technical Education Quality Improvement Programme (TEQIP) has been started to upgrade 150 well performing engineering colleges to world class standards. The UGC has initiated a programme for the Promotion of Indian Higher Education Abroad (PIHEAD). Author suggested following measures for the government:

- Globalization of educational services should be seen as an opportunity by Indian universities and higher educational institutions should maintain world standards and establish their bases in other countries.

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• For keeping comprehensive data base on students mobility i.e. inflow and outflow, a proper co-ordination in between UGC, MHRD and Ministry of External Affairs should be maintained.

• An effective registration and certification system is essential to restrict the entry of substandard institutions and India should target Asian countries for attracting oversea students.

Bhushan Subhanshu\textsuperscript{20} prepared a report on foreign education providers in India; which is an outcome of research project conducted by the NIEPA, New Delhi. In this study an attempt has been made to provide an overview of the mechanism of operations imparting foreign degrees in different types of institutions in India and it provides global scenario on working of foreign education providers in various countries; with the regulations (guidelines) introduced by the countries viz. Malaysia, China, Singapore, Hong Kong, Australia and New Zealand. Also collects the perception of students and teachers on foreign education providers.

It observed that, majority of the foreign education providers provide professional (vocational) courses and maximum number of programmes is offered under the twinning arrangement by the foreign education providers. Out of the total sample of 131 institutions, 107 were providing for vocational courses, 19 for technical courses and only 05 for general education. The data shows that in the category of vocational courses management courses were the most popular. Business Management and Hotel Management constitute approximately 80 per

\textsuperscript{20} Bhushan Subhanshu, "Foreign Education Providers in India", Research Study Report, National Institute of Educational Planning and Administration, New Delhi, 2005.
percent of the total number of courses. Further it found that, foreign education providers do not prefer collaborate with public and non-profit institutions and the collaborative courses are more skill-oriented and communication-oriented rather than their emphases on research. But there is no standard setting mechanism for the foreign educational institutions causing concern to the stakeholders; however there are some aspects of good practices such as flexibility of curriculum design, credit transfer facility, job placement, multiple entry and multiple exit system, etc., and need to be followed by public institutions in higher education. On the question of “accreditation of the courses” affecting the students’ decision to pursue the course, it was found that for 59 per cent of the students it hardly mattered and only 41 per cent were of the opinion that it did matter to them.

The followings are the recommendations of the study:

- Need for a Regulatory Body to register, approve and monitor the overall operation of foreign education providers in India.
- Priority areas for collaboration should be finalized and need to develop institution to check quality.
- No objection from Embassy should be compulsory.
- Demand and Supply chain in higher education must balance as per the priority of a country.
- Trade-based internationalization of higher education leading to commercialization must be checked.
- There should be mutual recognition of the degrees by respective countries as well.
• There should be a database on all aspects of the foreign education providers and the students should be completely informed about the foreign institutions.

• NAAC should be allowed to accredit foreign programs and examine the academic credit worthiness of foreign institutions. NAAC’s evaluation of quality should be taken into account before allowing foreign institutions to operate in India.

Bolashetty S Shripad\(^2\) glanced over the basic and theoretical explanation of WTO and GATS in first part of his research paper. The second part exclusively dealt with the article-wise implications of GATS on Indian education; and suggested measures for effectively harvesting the benefits from GATS. Further, he highlighted the impact of LPG policies on Indian education system and suggested for ‘Impact Assessment Research Studies’ on LPG process and stated that a thorough debate on the impact of GATS on education sector needed in the Parliament, State Legislatures and Academic Forums in India to base the LPG process on ethics and in the interest/common cause of every Indian citizen.

The following measures are suggested for gaining optimum benefits from GATS:

• Government of India should constitute an “Expert Commission” involving University Grants Commission, AIU, AICTE, NCTE, MCI, PCI, DCI, BCI, ICHR, ICPR, CSIR, NIEPS, NCERT, etc. The Commission should work on the issues viz. the reviewing of the experiences of GATS

implementation in the developed countries, the implications of GATS on Indian Service Sectors with special emphasis on Education Sector in general and sub-sectors of Education in particular. Further, Systematic changes/establishments needed to be created in order to cope up with GATS regime and Specific mechanisms/measures/procedures etc. needed to be brought in Indian Schools/Colleges/Universities.

- University Grants Commission and other autonomous central agencies of education should thoroughly study the ‘strategies’ employed by the developed countries to gain optimum benefits out of GATS.

- Each educational institution in India should prepare a ‘strategic plan to compete with its counterparts in other member countries of WTO.

- The Universities should publish literature on GATS-literacy for creating Knowledge, Awareness and Practices (KAP) among all the concerned persons/individuals.

- The Universities may establish WTO chairs’ to study the international legal agreements/instruments being worked out by WTO vis-à-vis India.

- Government of India should establish an ‘Expert Task Force’ to assess, and accredit the quality and standards of services and service suppliers of other members of WTO in India.

- Government of India, which is a signatory of WTO-GATS, should provide enough funds to Indian service suppliers to raise them to the status of World Class based on highest international standards.
Agarwal P\textsuperscript{22} seeks to map contradictions in Indian higher education and paper provides some directions for change, and suggests that people should have realistic expectations as regards public policy towards higher education sector; further he highlighted the advantages of liberalization of higher education and suggested the measures to maximize its benefits in higher education system. It is stated that liberalization of higher education services in India promote the quality in domestic education system and attracting foreign students for Indian higher studies and research will fuel innovation and enterprise in the higher education system.

It has been suggested for implementing the public policy of maintaining standards of Indian higher education at benchmark with the global standards, which gives the Indians and India a distinctive competitive edge in global labour markets. For global recognition of its qualifications, India needs to work towards the harmonization of its academic standards with internationally accepted practices. Further it should follow investment-friendly and forward-looking domestic regulation, the loopholes in the existing system need to be plugged to enhance the credibility of an academic qualification from India. On the other hand, an effective system of registration has to be put in place to prevent unapproved foreign institutions from operating in India and ensure that students are exploited.

Uliveppa H.H and Siddalingappanavar M.N\textsuperscript{23} examined the issue of internationalization of higher education by applying SWOT (Strengths, Weakness,
Opportunities and Threats) analysis; at the outset they highlighted the factors responsible for internationalization viz. political, economic, educational and cultural factors. In the analysis, they highlighted the India's great strength of having large and powerful higher educational set up, English as medium of instruction, large pool of variety of skilled human resource, economics of fees and living expenses and India's lead in ICT sector; which are created much conducive environment for internationalization, on the other hand they found dangers from internationalization viz. possibility of commercialization of higher education, take over of universities/colleges by the foreign corporate houses, public higher education may lose its existence, concentration of institutions on urban areas and brain drain.

Finally, they suggested some measure for harnessing the opportunities of internationalization of higher education viz. Indian Embassies and High Commissions should take initiative in providing information about its higher education system, simplification of visa issuing and extension policy, establishment of agency for maintaining database, setting up of mechanism for monitoring the standard of foreign universities and Indian universities/institutions have to improve their academic and infrastructural quality; further internationalize of curricula is needed.

1.6 METHODOLOGY

The present research is an implication study; which is diagnostic one; two dimensional implications are considered for fulfilling the objectives of the study. On one hand the GATS’s article-wise analysis and implications to Indian higher
education system considered; on the other hand mode-wise implications and analysis of trade in higher education services have been drawn; in this section, the data related to mode II i.e. consumption abroad is collected and analyzed exhaustively.

The reference period of the present study chosen is from 1986-87 to 2001-02; this particular period has been chosen because of limitations in the availability of data and unprecedented changes observed during said period. Later on the entire period has been classified into two periods i.e. pre-WTO period (1986-87 to 1994-95) and post-WTO period (1995-96 to 2001-02) to know the changes in student mobility under WTO agreements and Compound Growth Rate (CGR) has been worked out for these two periods; further the trends related to different aspects of foreign students' inflow and Indian students outflow i.e. year-wise, sex-wise, subject-wise, state-wise, country-wise, continent-wise and students gone abroad under different sources of financial assistance have been analyzed.

1.6.1 Sources and Methods of Data Collection

The present study is mainly based on Secondary Data collected from various sources both National and International. International sources include publication and reports of World Trade Organization (WTO), World Bank, United Nations Educational Scientific and Cultural Organization (UNESCO) etc. On the other hand, the Secondary Data related to National sources were collected from different means such as:

2. MHRD, Government of India, New Delhi.
6. Association of Indian Universities, New Delhi.

In addition, the information was obtained from relevant published books, research papers, articles etc.

1.6.2 Tools of Analysis

Simple statistical tools like Percentages and Compound Growth Rate (CGR) have been used to analyze the data for studying the impact of WTO on student mobility i.e. both in respect of Indian student outflow and foreign students’ inflow.

1.6.3 Terms and Concepts used in the Study

The study on GATS has included variety of terminologies; the understanding of these terminologies is very necessary to comprehend the issue. Therefore, there is the need for an exclusive explanation of various terms and concepts used in the study.

Higher Education

On Indian context, the education system which starts after secondary education (10+2) is called as higher education. The higher education includes colleges and universities which provides graduation and post-graduation degrees.
Service

Service means work performed for others (individuals/institutions/countries etc); it is beneficial action and provides advantages to other. Totally, service means anything (commodity/work performance) you can sell to other.

Educational Services

Work performed by teachers/institutions/universities for students (individuals) /institutions/countries. The said agencies can sell their commodity/service to other receiving agencies; education services can be provided by physical presence or non-physical presence (on-line/internet, mail/courier etc).

Trade in Educational Services

The act of exchanging commodities/services for money; it is nothing but business of buying and selling. Here, universities/colleges, students/parents, institutions/countries, teachers/researchers/skilled and semi-skilled education service providers are important stakeholders. Education services can be traded through four modes viz. Cross Border Supply, Consumption Abroad, Commercial Presence and Presence of Natural Persons.†

1.7 SCOPE AND LIMITATIONS OF THE STUDY

The present research is only an implication study; due to the lack of availability of data on the level of international trade in higher education-related services on Indian context; the study limits itself for making WTO’s GATS article-wise implication on Indian higher education and analyzing mode-wise.

† In course of analysis and discussion; the terms Cross Border Supply, Consumption Abroad, Commercial Presence and Presence of Natural Person are used interchangeable to Mode I, Mode II, Mode III and Mode IV respectively.
implication of trade in higher education services. At this point, only the data related to mode II i.e. consumption abroad is collected and analyzed. Here the study is heavily dependent upon the Secondary sources of data; as far as Consumption Abroad mode is concerned the impact of WTO on student mobility in both Indian and Overseas students have been analyzed. The reference period of the present study is restricted from 1986-87 to 2001-02.

The study has not touched the issues (agreements) viz. TRIPS and TRIMS and their implications to higher education; mainly it concentrates on the GATS agreements and its implication to higher education services only.

1.8 CHAPTER SCHEME OF THE STUDY

The study consists of the following six chapters. The arrangement of chapters in the thesis is as follows viz.

I. Introduction:

The first chapter provides the introduction, review of literature, statement of the problem, objectives, methodology, chapter scheme, significance, and limitations of the study and chapter scheme.

II. Development of Higher Education in India: A Brief Historical Perspective and Present Status:

This chapter deals with an explanation of the growth and development of higher education in India on historical perspective.
III. World Trade Organization and General Agreement on Trade in Services:

An Overview:

The third chapter provides a concise explanation of the WTO and GATS; further, summary of the commitment made by its member nations on education sector is presented.

IV. GATS: An Analysis of Its Agreements and Their Implications on Indian Higher Education:

The fourth chapter deals with the WTO’s GATS article wise implications on Indian higher education.

V. Mode wise Analysis of Trade in Higher Education Services: Opportunities and Challenges:

The fifth chapter deals with the mode-wise analysis of trade in higher education services in general and in particular mode II i.e. consumption abroad is analysed in detail; along with this, mode-wise opportunities and challenges of higher education services has been analysed.

VI. Summary and Policy Recommendations

The sixth chapter includes main findings and recommendations.