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CHAPTER 3
REVIEW OF LITERATURE

3.1 Educational reforms

3.1.1 The Transformation and Reconstruction of the Higher Education System: A way to improve the Service efficiency

The National Plan for Higher Education, which was approved by Cabinet in February 2001, identified five key policy goals and strategic objectives necessary for achieving the overall goal of the transformation of the higher education system.

These are:

- To increase access and to produce graduates with the skills and competencies necessary to meet the human resource needs of the country.

- To promote equity of access and outcomes and to redress past inequalities through ensuring that student and staff profiles reflect the demographic composition of South African society.

- To ensure diversity in the institutional landscape of the higher education system through mission and program differentiation to meet national and regional skills and knowledge needs.

- To build high-level research capacity, including sustaining current research strength and to promote research linked to national development needs.
To restructure and consolidate the institutional landscape of the higher education system to transcend the fragmentation, inequalities and inefficiencies of previous system and to enable the establishment of institutions consistent with the vision and values of a non-racial, and democratic society.

3.1.2 Reforms in India

Critical appraisals undertaken by the governmental committees and independent academicians have highlighted the reasons behind the need of reforms:

- Over-production of “educated” persons
- Increasing educated unemployment
- Weakening of student motivation
- Increasing unrest and indiscipline on the campuses
- Frequent collapse of administration
- Deterioration of standards; and above all
- The demoralizing effect of the irrelevance and purposelessness of most of what is being done

While the politicians and policy makers have often spoken about the need for reconstruction of the system, what has been achieved in reality is only moderate reformism.

Given the mounting pressure for increasing accessibility and over-democratization, the trend in the universities is towards reducing everything to the lowest common denominator or leveling down
quality rather than raising it. The Indian University system is extraordinarily rigid and pronouncedly resistant to change. The impetus to change does not come from within the system. When experiments or innovations are introduced from outside, they are resisted. The fate of such innovations as the merit promotion scheme, faculty-improvement program, vocationalization of courses, semesterization of courses, curriculum-development centers, annual self-appraisal report, college-development council, academic-staff college and refresher and orientation courses are too well known. It is indeed ironic that higher education, which is expected to function as an agency of change, should itself be resistant to it. The void created by the paralysis and drift of the conventional University system is being filled by private entrepreneurial initiatives. Thus, significant educational innovations and experiments are currently taking place in institutions outside the University orbit and in the private sector. In view of the rapid expansion of and increasing variety in knowledge and skills, there is enormous scope for educational innovations and initiatives. The private institutions have been more responsive to the demands of the economy and industry and the changing employment scenario. They have also shown their ability to match relevance with flexibility both in costs and regulation. This does not, however, mean that all private institutions are necessarily good. Some are running after money making. As in any commercial operation in a market economy, such establishments get exposed. Privatization of higher education is apparently a fledgling but welcome trend. Higher education requires it to maintain creativity, adaptability and quality.
3.1.3 Some questions on rising cost of education

Following are some basic questions on which a thought should be given as far as improvement in service efficiency in higher education is concerned (9).

1. What impact do the rising costs of higher education have upon enrollments?

2. Do the rising costs of higher education impact college choice?

3. Do the rising costs of higher education impact students differentially, on the basis of race/ethnicity, gender, age, disability, or other student characteristics?

4. On what basis is the need for a student service or program determined?

5. By what criteria is the effectiveness of a student service or program determined?

6. On what basis is the cost effectiveness of a student service or program determined?

7. What are effective means of justifying our services and programs to intended audiences, such as administrators, faculty, governing boards, students, and other stakeholders?
3.1.4 Privatization on higher education

Privatization on higher education appears to be a remedy to improve the quality and service efficiency in education. The process has already been started in India in the Southern states of Tamilnadu and Karnataka. The enrolment of students in these institutions is also larger than Govt. funded or aided institutions. The Government, therefore, has allowed the private sector to set up universities. Recently, a couple of prominent Indian industrialists have prepared a report entitled “A Policy Framework for Reforms in Education” as a part of Prime Minister’s Council on Trade and Industry. In this report, it has been recommended that the Government’s role should be ‘maximum’ in the sphere of primary education but ‘minimum’ at the stage of higher education. The report is popularly known as Ambani-Birla report. This report has evoked strong objection from the University teaching community, because it has suggested the establishment of private universities. It has stated, “A private Universities Bill should be legislated to encourage the establishment of new private University”, adding that “a redefinition of Governments role in higher education would call for a major privatisation of University education system in India”. The report has also recommended that all educational institutions in India – schools, colleges, universities and other institutions of higher education must be rated by independent agencies, in view of their efficiency as is the case with the financial sector. It has also been strongly recommended that the funding should be linked to the service efficiency of educational institutions.
Following observations are worth considering for the future development of higher education in India:

i) It is ideal for the Government in the developing country like India to contribute to the development of education in view of its high and social return on investment. However the financial helplessness of the Govt. should not throw the system out of gear. The University system should develop built-in-flexibility and ability to render qualitative students related services to reduce the dependence on government finance.

ii) Privatization of higher education is inevitable especially in India’s undergraduate education.

iii) The globalization in the world leaves no option before our universities excepting improvement of quality of education imparted, so as to make it comparable to international standards, failing which, their very survival will be in danger. For example Indian education system should understand the role of Information Communication Technology in distance education (35). The universities have to redesign their programs so as to make them flexible, cost-effective and efficient keeping relevance with the market economy.

To sum up, we need a proactive leadership in higher education at the Central and State Government levels for formulating appropriate policy and practice in developing the potential of the future generation through an efficient and relevant higher education with accountability. Higher education is a futuristic investment in social, political and
economic sense of the term. It deserves a better attention than what it gets at present.

3.1.5 Challenges
It is struggling to remain competitive when the foreign countries have flooded the domestic market with goods and services. The key to meeting this challenge is to ensure quality assurance that too cost effectively and remain globally competitive. Information technology is a tool to support the education system to survive in this competitive environment (30). Therefore, we have to learn from management experts how to ensure quality in the education sector, its sustenance and enhancement.

3.2 Assessment of educational services

3.2.1 Need & Concept:
Two higher education topics receiving considerable attention in policy circles and within academe today are productivity and efficiency. As enrollments in higher education continue to expand, public funding is becoming increasingly scarce, particularly as competition increases from other recipients of public funds such as healthcare and corrections. In light of this many policymakers have found themselves asking if higher education institutions are using their resources productively. Over the past decade, questions of this kind have given rise to a number of studies seeking to assess productive and cost efficiency. Yet the increase in studies of this type can also be attributed to the development of parametric and non-parametric
techniques for estimating efficiency that have only recently moved beyond theoretical construction and gained popularity in more applied settings. These increasingly sophisticated approaches have finally provided researchers both the ability and flexibility necessary for modeling the complex production processes and cost structures within higher education institutions. As a result, one can look across education systems in several countries and find a growing repository of empirical studies that shed new light on our understanding of higher education efficiency. Remarkably though, within any given country it is not possible to identify more than a handful of empirical studies. In short, the best evidence researchers have about higher education efficiency is scattered among a diverse set of educational systems that are more apt to be different than similar in many aspects. Nevertheless, it is worth asking whether there is anything to gain by combining what is known about higher education efficiency and reflecting on the state of the art. What common threads exist to tie these different studies together? What can be learned by examining how one studies of efficiency in one system that has yet to be applied in another? How do the efficiency findings from one country’s higher education system compare to another? Is it even possible to draw such comparisons?

3.2.2 Productivity / Efficiency in Education:

The concept of productivity in economic jargon is as old as the discipline itself (10). It is generally defined as the output per unit input and is measured as the ratio between output and the input.
There are problems of aggregating outputs and inputs and there is the problem of correcting for price changes over time when time series data for inputs and outputs are used. **However these concepts and measures are also extended to the education sector to assess efficiency in education since education is treated as a service-industry which produces “the education value added“**.

Efficiency is not the same thing as productivity. According to Daniel Rogers, efficiency is defined as “either achieving the greatest amount of output from given set of inputs or achieving a specified amount of output utilizing a minimum quantity of inputs”. In education, efficiency measures the ratio of index of educational outputs to the corresponding index of educational expenditures in real term. Efficiency refers to the optimal combination of inputs to produce a given output that is to say, producing that output at least cost. The reference to costs shows that efficiency depends critically on the relative prices of inputs: every change in relative price involves a different efficient combination of inputs.

**Realizing the importance of measurement of efficiency in education, the UNESCO European Centre conducted a seminar on this topic in Bucharest in January 1975. The final report of this seminar explained the concepts of efficiency in two terms, namely “internal efficiency“ and “external efficiency“**.
INTERNAL & EXTERNAL EFFICIENCY IN EDUCATION:

Society usually assigns a number of overriding cultural, social and economic objectives to education system. External efficiency lies in the success in meeting these objectives. This task is made difficult by the fact that the objectives are not always explicit and also not compatible with each other.

The education system or an institution has more specific targets established within its framework. The internal efficiency of an educational system or an institution is a measure of its success in meeting these operational targets with the resources made available to it.

There is cause and effect relationship between efficiency and productivity in education. Therefore it is perfectly possible that education is conducted inefficiently at every moment and yet enjoys productivity improvement as time passes. Similarly education may be conducted efficiently at every moment in time but yet exhibits no technical dynamism over time, simply because there are no inventions forthcoming that can be adopted to the educational process. Further, when this concept is used within the internal operation of educational system, it is called as “internal efficiency”, while its use with reference to the economical system as a whole of which educational system is subsystem, is called as “external efficiency”.

External efficiency measures the success of educational system, over a period of time by considering the broader objectives and goals of
education (socio-economic-political-cultural) in addition to narrowly defined specific operational targets connected with the concept of internal efficiency.

As far as the efficiency in education is concerned one must be very cautious while applying the concepts of efficiency to the education because sometimes the operation of an educational system may be internally efficient, yet the use of its products outside the system may turn out to be extremely unproductive.

ASSESSMENT & ACCREDITATION - NAAC
The University Grants Commission (UGC) established the National Assessment and Accreditation Council (NAAC) in September 1994, at Bangalore (11), in pursuance of the National Policy on Education and the Programme of Action (POA), 1986.

NAAC is entrusted with the task of performance evaluation, assessment and accreditation of universities and colleges in the country.

The philosophy of NAAC is based on objective analysis and continuous improvement rather than being punitive or judgmental, so that all institutions of higher learning are empowered to maximize their resources, opportunities and capabilities.

Education plays a vital role in the development of any nation. Therefore, there is a premium on both quantity (increased access) and
quality (relevance and excellence of academic programs offered) of higher education.

Like in any other domain, the method to improve quality remains the same i.e. finding and recognizing new needs and satisfying them with products and services of international standards.

The NAAC has been set up to help all participating institutions assess their performance against set parameters. A rating agency for academic excellence across India, and the country's first such effort.

**Advantages of Accreditation:**
- Helps the institution to know its strengths, weaknesses and opportunities through an informed review process.
- To identify internal areas of planning and resource allocation.
- Outcome provides funding agencies objective data for performance funding.
- Initiates institutions into innovative and modern methods of giving educational services
- Gives institutions a new sense of direction and identity.
- Provides society with reliable information on quality of education offered.
- Employers have access to information on the quality of education offered to quality-manpower.
- Promotes intra and inter-institutional interactions.
Concept of excellence in higher education & its requirements

Introduction
An institution of higher education is a community dedicated to the pursuit and dissemination of knowledge, to the study and clarification of values, and to the advancement of the society it serves.

Characteristics of Excellence
They are designed as a guide for those institutions engaged in self-review. In their self-review processes, institutions demonstrate how they meet these accreditation standards within the context of their own institution mission and goals. No assurance is given or implied that every accredited institution manifests these characteristics and meets these standards (15) in equal proportion. Accredited institutions are expected to demonstrate these standards in substantial measure, to conduct their activities in a manner consistent with the standards, and to engage in ongoing processes of self-review and improvement.

The emphasis on institutional assessment and assessment of student learning follows naturally from the existing standards laid down by various authorities and decades of attention to outcomes assessment through publications, workshops, and training sessions. Commission is aware of the institutional effort and cultural change that the increased relative emphasis on assessment may require.
Factors deciding service efficiency in education:

1: Mission, Goals, and Objectives
The institution's mission should clearly define its purpose within the context of higher education and explains whom the institution serves and what it intends to accomplish. The institution's stated goals and objectives, consistent with the aspirations and expectations of higher education, should clearly specify how an institution should fulfill its mission. The mission, goals, and objectives should be developed and recognized by the institution with its members and its governing body and should be utilized to develop and shape its programs and practices and to evaluate its effectiveness.

2: Planning, Resource Allocation, and Institutional Renewal
An institution should conduct ongoing planning and resource allocation based on its mission and should use the results of its assessment activities for institutional renewal. Implementation and subsequent evaluation of the success of the strategic plan and resource allocation should support the development and change necessary to improve and to maintain institutional quality.

3: Institutional Resources
The human, financial, technical, physical facilities, and other resources necessary to achieve an institution's mission and goals should be available and accessible. In the context of the institution's
mission, the effective and efficient uses of the institution's resources be analyzed as part of ongoing outcomes assessment

4: Leadership and Governance
The institution's system of governance should clearly define the roles of institutional constituencies in policy development and decision-making. The governance structure should include an active governing body with sufficient autonomy to assure institutional integrity and to fulfill its responsibilities of policy and resource development, consistent with the mission of the institution.

5: Administration
The institution's administrative structure and services should facilitate learning and research/scholarship, foster quality improvement, and should support the institution's organization and governance.

6: Integrity
In the conduct of its programs and activities involving the public and the constituencies it serves, the institution should demonstrate adherence to ethical standards and its own stated policies, providing support to academic and intellectual freedom.

7: Institutional Assessment
The institution should develop and implement an assessment plan and process that evaluates its overall effectiveness in: achieving its mission and goals; implementing planning, resource allocation, and institutional renewal processes; using institutional resources
efficiently; providing leadership and governance, providing administrative structures and services; demonstrating institutional integrity; and should assure that institutional processes and resources support appropriate learning and other outcomes for its students and graduates.

8: Student Admissions
The institution should admit students whose interests, goals, and abilities are congruent with its mission.

9: Student Support Services
The institution should provide student support services reasonably necessary to enable each student to achieve the institution's goals for students.

10: Faculty
The institution's instructional, research, and service programs should be devised, developed, monitored, and supported by qualified professionals.

11: General Education
The institution's curricula should be designed so that students acquire and demonstrate college-level proficiency in general education and essential skills, including oral and written communication, scientific and quantitative reasoning, critical analysis and reasoning, technological competency, and information literacy.
12: Assessment of Student Learning

Assessment of student learning should demonstrate that the institution's students have knowledge, skills, and competencies consistent with institutional goals and that students at graduation have achieved appropriate higher education goals.

Structural Reforms

The regulatory system was introduced as early as in 1857 along with the establishment of the modern University in India. The main purpose was to ensure the standardization of curriculum in undergraduate program, as well as objective and impersonal evaluation of students. The system of affiliated colleges involved determination of curriculum by the University. Implementation of this curriculum was carried out by the affiliated colleges and University departments and the evaluation of students through comprehensive examinations. So long as the system remained small in size, it worked reasonably well.

But, with the expansion in the number of institutions and students, this system has caused serious damage to the process of teaching and learning; diversification of higher education, social relevance of the curriculum and evaluation of students. In order to remedy this situation, the following steps have been taken:

- Critical inputs and recognition:

Other regulatory measures, such as creation of minimum level of infrastructure, the specified number of qualified staff and well-defined
administrative procedures, are insisted upon before any institution is affiliated to a University, or before a University can be recognised by the UGC for financial assistance. These measures discourage the opening of substandard institutions.

- **Evaluation and Monitoring:**
  UGC review committees and visiting committees oversee and assess the quality of University programs. These committees are constituted for different areas and disciplines and for all the universities that receive financial assistance from the UGC.

- Another UGC measure is the National Educational Testing (NET) programme. The UGC and the Council of Scientific and Industrial Research (CSIR) conduct tests in science subjects twice a year for Junior Research Fellowships (JRF) and an eligibility test for the teaching profession.

Universities and colleges are required to consider the candidature of only such persons who have qualified for teaching jobs. These tests have proved to be important indicators of quality of students engaged in the teaching and research profession.

UGC has already indicated that its plan-based development support to educational institutions will be related to the outcome of assessment and accreditation. It has already extended financial support to the extent of Rs. 5 lakhs to each University to meet the expenses involved in undergoing the accreditation process. Likewise, the autonomous
colleges are provided with financial support for this purpose as a part of their annual grant from the UGC.

3.2.3 Importance of measuring service efficiency – a worldwide overview

The concepts of accountability and quality assessment in higher education constitute an international phenomenon. National education systems call upon universities to establish performance indicators to measure progress towards the establishment of national goals.

In Europe and Australia, central governments are involved directly in establishing “indicators.” In the United Kingdom, for example, quality control, quality audit, and quality assessment are being carried out by the Higher Education Quality Council and the three Higher Education Funding Councils. A new central agency to gather and analyze data, the Higher Education Statistics Agency (HESA), has also been established. More specifically, library performance indicators have flourished in the United Kingdom as the restructuring of the British higher education system. The European Commission has been supporting an effort to create a reliable statistical base for libraries in Europe. In December 1997, the Commission hosted a workshop to focus attention on statistics that address service quality.

In the U.S., there have been discussions about a greater united role in institutional accreditation or if such a system might be based on “results” and “performance.” Whether it is the federal government or some other entity that will undertake the responsibility to define “quality & service efficiency” for higher education in the U.S., critics
of higher education have warned that, if "the academy does not respond, the public demand for results will expand and crystallize around the use of external performance indicators to measure results. And the jury is still out on the results desired." To some extent, this is already happening through the widespread ranking systems that popular magazines like *U.S. News and World Report* are promoting. In the 1997 issue dedicated to ranking colleges, the editors point out that "the nation cannot afford to let higher education become less and less affordable for more and more students. The high cost of college is no longer just an academic affair; it is a national concern as well."

A recent report that presents the results of a two-year study by the Commission on National Investment in Higher Education highlights the fact that the "present course of higher education—in which costs and demand are rising much faster than funding—is unsustainable." The authors call upon the "nation to address the fiscal crisis now, before millions of Americans are denied access to a college education" and they recommend "increased public-funding of higher education and wide-ranging institutional reforms."

In particular, they articulate the following recommendations:

1. Institutions of higher education should make major structural changes in their governance system so that decision makers can assess the relative value of departments, programs, and systems in order to reallocate scarce resources.
2. As part of the overall restructuring, colleges and universities should pursue greater mission differentiation to streamline their services and better respond to the changing needs of their students.

3. Colleges and universities should develop sharing arrangements to improve productivity.

4. It is time to redefine the appropriate level of education for all American workers in the 21st century. All citizens planning to enter the workforce should be encouraged to pursue—as a minimum—some form of postsecondary education or training.

To some extent, these recommendations are the result of a fundamental societal transformation from the Industrial Age to the Information Age and the corresponding challenges and opportunities it presents for higher education. Performance measures are becoming the method of choice to track the transformation of higher education. Critics are calling for the development of a compelling vision for learning in the 21st century, a vision that would transform higher education by realigning it with three conditions:

1) the changing nature of information, knowledge, and scholarship;

2) the needs of individual learners; and

3) the changing nature of work and learning.

In the discussion regarding performance indicators in the U.S., the primary focus has been on cost efficiency and access to
undergraduate education as well as on the long-term transformation of higher education and its effect on graduate education and research

*Investment in Higher Education*

Higher education in India is in deep financial strain, with escalating costs and increasing needs, on the one hand, and shrinking budgetary resources, on the other. The share of higher education in total planned resources increased (1) from 0.71% in the first Five-Year plan to 1.24% in the fourth Five-Year plan. But ever since, it has declined continuously to 0.53% in the seventh Five-Year plan and further down to 0.35% in the eighth Five-Year plan (1992-97), though the actual expenditure has increased by more than 100 times from Rs.140 million in the first Five-Year plan to Rs. 15,000 million in the eighth Five-Year plan at current prices, and 6.5 times in terms of real prices. Thus, although higher education in India is characterized by massive public investment, this investment is still regarded as much below the optimum.

Recently, major efforts have been mounted for mobilization of resources and it has been recommended that while the Government should make a firm commitment to higher education, institutions of higher education should make efforts to raise their own resources by raising the fee levels, encouraging private donations and by generating revenues through consultancy and other activities. It is clearly seen that if higher education has to be maintained and developed further, the Government will have to step up measures for encouraging self-
reliance while providing a much more massive investment than that in present.

*Customer satisfaction in education*

Customer satisfaction is the key for upgrading quality, as without full customer satisfaction it is not possible to increase market share. Students complain that they are not able to exercise choice in selecting what they would like to study. They want to study what would suit their aptitude and also meet their future needs. Also, the general perception is that contents of courses that are being offered at present may not be helpful to them in acquiring skills and abilities required by their future employers.

Student satisfaction may have to be used as an effective instrument for raising the quality of educational services. This will require acceptance of learners by the higher education system. New courses and course combinations may have to be offered for meeting varying learning needs of students. The other driving force for raising quality will be the commitment of teachers to their students and to the pursuit of excellence.

3.3 ISO for education:

3.3.1 Why ISO?

Why are educational institutes / colleges are looking at ISO 9000 registration?
• Increased community awareness about quality of the education
• Establishing a common methodology for continual improvement
• Reduction of internal costs
• Focusing on their students as customers
• More open lines of communication
• Preparing students with an understanding of quality standards
• Preparing greater collaboration with business and industry

The traditional focus of the ISO 9000 standard has been manufacturing companies. Recently a growing number of educational institutes have adapted and adopted (12) the "best business practices" found in the ISO 9000 requirements to their educational environments.

3.3.2 Benefits of ISO 9000 in Education

Educational institutes find that an ISO 9000 provides a central management tool (13) to make sure all internal and external stakeholders are satisfied - starting with their students. Through the use of internal and external audits, top administration receives ongoing feedback as to how well the college is performing. Internal day-to-day operations are assessed to ensure consistency and discrepancies are reported for quick resolution. Internal and external performance measures give an indication as to how well quality objectives are being met.
3.4 Globalization of Higher Education: Threat or Opportunity?

The phenomenon of globalization, which transformed world trade, communications and economic relations in the latter part of the 20th Century, is having a similarly profound effect on education at the start of the 21st. Student options for higher education, in particular, are no longer constrained by national boundaries. Innovative forms of transnational education - Internet-based distance learning, branch campuses, educational "franchising" -- have greatly expanded opportunities for students to study and learn outside their country of origin. In addition, there is now increasing global competition for the "best and brightest" students, as more and more countries recognize the economic potential of higher education as a service export sector. For the first time in history, large segments of the world's student population truly have access to a "global marketplace" of higher education.

For higher education leaders in India, this new environment holds both threats and opportunities (14). The threats are obvious: as more and more Indian students look to Australia, Britain and the U.S. for both undergraduate and post-graduate studies, the quality of Indian universities will continue to suffer. Lacking computer facilities and Internet access, many of India's resource-starved institutions - such as colleges in remote rural districts - will be on the wrong side of the "digital divide." In this age of globalization and internationalization of higher education, digital technology has a great impact (33). Even India's elite institutions - the Indian Institutes of Technology and Indian Institutes of Managements (IITs & IIMs) -
will find it increasingly difficult to attract and retain world-class faculty members in the face of attractive offers from foreign universities, research institutes and multi-national corporations. So, there is a substantial risk that Indian universities (27) and their students could end up as serious losers in the global higher education "game".

But there are also real opportunities for India to benefit significantly from the global revolution in higher education. To do so will require major policy reforms in the way Indian universities are structured, funded and regulated. It will also require closer links between Indian industry, especially the growing technology-based sector, and Indian universities. And, it will require a new, globally oriented, entrepreneurial style of leadership by Indian Vice Chancellors and other top-level administrators.

The corporate sector has discovered a trillion-dollar industry. It is yet to be fully explored and exploited. This is a service sector industry in the area of education as 'service' with a huge global market in which students, teachers, and non-teaching employees constitute resources for profit-making. In this industry, the students are consumers, teachers are service providers, and the institutions or companies catering to education services are organizers, and the teaching-learning process is no longer for the building of a nation but a business for profit-making.
Education, at all levels, will continue to grow, because it cultivates the human mind and makes people important and useful in the all-round development of a country. However for the corporate sector it will grow as a big service industry. Powerful transnational corporations are targeting public education, particularly higher education, for profit-making. Though predominantly a government supported service, most governments are, as a consequence of modern and liberal economic reforms, withdrawing from it. The government of India through extensive privatization, commercialization and deregulation is encouraging this process.

3.5 WTO & GATS

3.5.1 Background
The World Trade Organization (WTO), established by replacing the General Agreement on Trade and Tariffs at the Uruguay Round in 1994, is a forum for corporate interests to push their agenda down the throats of developing countries without any democratic accountability. The General Agreement on Trade in Services (GATS) covered in the WTO is a legally enforceable agreement aimed at deregulating international markets in services, including education. Before this agreement, trade agreements used to be in relation to eliminating tariffs and other barriers for the goods produced in one country and sold in other countries. Some services used to be exchanged but there was no mechanism for trade in services, because they were considered to be place specific and thus non-tradeable. According to the
European Commission, the GATS is "first and foremost an instrument for the benefit of business."

The WTO has defined and drawn up the rules so as to give itself enormous powers. According to the WTO website (16), "The GATS is the first multilateral agreement to provide fully enforceable rights to trade in all services. It has a 'built-in' commitment to continuous liberalization through periodic negotiations. And it is the world's first multilateral agreement on investment, since it covers not just cross-border trade but every possible means of supplying a service, including the right to set up a commercial presence in the export market." The WTO has explicitly stated that one of the advantages of the GATS is that it will help to overcome domestic resistance to change.

3.5.2 Education under GATS

When the services are entirely provided by the government, they do not fall within the GATS rule. For a service to be out of the purview of the GATS rule it has to be entirely free. However, when the services have been provided either by the government partially or some prices are charged (as happens in education where some fees is charged), or provided by the private providers, they shall fall under the GATS rule.

WTO has classified the educational services into five parts: (a) primary education services; (b) secondary education services; (c)
higher education services; (d) adult education, and (e) other education services.

The idea behind this is the creation of an open, global marketplace where services, like education, can be traded to the highest bidder. GATS covers the educational services of all countries whose educational systems are not exclusively provided by the public sector, or those educational systems that have commercial purposes. Since total public monopolies in education are extremely rare, almost all of the world’s educational systems fall under the GATS umbrella. In India, we cannot get exemption in education from the application of GATS because education at all levels, particularly at higher education level, is not entirely free (i.e. some fees has to be paid).

3.5.3 Why Trade in Educational Services?
Precedence for trade in educational services goes back in ancient times. In the Golden Age of India, universities at Nalanda and Takshashila were famous the world over, attracting students from foreign lands. In fact, universities (Vishwa Vidyalayas), by definition, have to be international in character. Prior to independence, children of the rich and students earning fellowships did go to United Kingdom (UK) for higher education and returned with a wider worldview of things. After independence, students went abroad on Commonwealth and Fullbright scholarships and returned home to transplant their training and experience to the domestic conditions.
And, the latest phase began when (post) graduate students started going to the United States (US) for higher studies with dollar assistantship in their pocket, never to return as if they had entered Alibaba’s Cave! Of late, there are many Indian students going abroad for undergraduate education as well. Is there a potential for growth in trade in educational services, especially when significant contribution to this sector comes from government? Is trade in educational services compatible with WTO norms? As per Article I.3 of GATS, government services remain outside the purview of GATS, provided they are not meant for commercial purpose and do not have any competition from private service suppliers.

Hence, education does come under the purview of GATS trade liberalization, since there are already many institutes, colleges, high schools, and coaching classes operating in private sector in India. These private service providers are in direct competition with the government-run institutions. Moreover, one must not forget that the leading public educational institutions like the IITs, IIMs and agricultural universities were funded primarily by foreign funds. The shrinking budgetary resources for education are in no way helping the cause of promoting knowledge in India. Even if government substantially increases its educational spending via deficit financing, it amounts to an inflation tax. Hence, private sector participation and trade in educational services seems quite essential. The scarcity of funds points out the fact that capital is a scarce factor and human resource an abundant factor in India.
In the last decade, awareness of knowledge as an engine of growth has gained ground and education is now looked upon as a tradable service. Developed countries are also keen to use this opportunity to avoid under utilization of infrastructure that exists in their educational institutions.

Future of higher education in India

In the beginning of the last decade, some foreign universities tried to market their higher education programs in India. Representatives of several countries visited India to market certain percentage of their medical and engineering seats. Some foreign universities have also engaged Indian agencies and firms to recruit students to study in their universities. Others have started franchisee or commercial presence in India by allowing students to be enrolled in India and carry out studies for a part of the period in India and completing the other part of the degree in the institutions abroad. In certain cases even full degree institutions in India for giving foreign University conduct their programs. Some also have twinning programs between foreign and Indian universities. Some offer programmes through distance mode, through print, computer, television and electronic mode, i.e. the virtual universities. Under these circumstances higher education system in India have to be more careful about the quality (33).

Thus the export of higher education to India by universities of several countries has been through modes of consumption abroad, cross border supply, franchisee, twinning programs and virtual universities. In 1999, about 20,000 students went abroad for education mostly to
USA, Australia, UK, Canada and France. However, on an average only 1500 students per year mostly from Gulf and South Asian countries come to India for education. It is not known as to how many Indian students are enrolled under cross border supply, franchisee and other modes. Fee charged from students ranges from Rs 50,000 to Rs 340,000 per annum.

A recent estimate given by Global Alliance for Transnational Education indicates that about 27 billion dollars worth of higher education is exported to Asia and Pacific by three countries namely USA, UK and Australia. A business of 37 billion dollars trade in tertiary education services in Asia and Pacific region is projected for future.

An analysis of the advertisements issued by foreign universities or on their behalf in India reveals that some times concurrent degree programs, i.e., two degrees in the same period are offered. No conditions of minimum qualification, are insisted upon, only 10+2 degree/certificate plus an interview is enough. Quite often the duration for getting degree may also be less than that required in India for the same degree. Largest number of universities advertising in India is from UK followed by Australia, Canada and Austria.

As far as India is concerned, the foreign education suppliers are interested in higher education with the use of all the four modes of trade. They are targeting at economically well-to-do group in the
society in order to maximise profits. The impact of GATS would be that the non-organised private education suppliers in India would be the first ones to take an advantage. The public education suppliers would be marginalised in the race due to unequal rules of the game. There is bound to be an unfavourable balance in the trade of education services.

Indian Scenario

WE entered the twenty-first century with unprecedented demand for higher education: general as well as professional. Instead of meeting this demand for higher education and ensuring further growth of the country, the central government and the UGC have resorted to several measures with ever-faster speed under the dictates of the World Bank and as a part of ongoing negotiations with the WTO on trade in services. Rising of fees, autonomy to institutions with practically no control over managements, funding linked to mandatory assessment and accreditation, and students loan scheme are some of their decisions taken in order to usher in massive privatisation and commercialisation of higher education.

3.5.4 Privatisation of higher education & necessity of W.T.O. & G.A.T.S.
"Major efforts have been mounted for mobilisation of resources and it has been recommended that while the government should make a firm commitment to higher education, institutions of higher education should make efforts to raise their own resources by raising the fee levels, encouraging private donations and by generating revenues
through consultancy and other activities," said the former HRD minister, Murali Manohar Joshi in the Country Paper presented in the UNESCO World Conference (17) on Higher Education held at Paris, in 1998. Justifying privatisation of higher education, he added, "It is not only justifiable but desirable to raise money from private sources in order to ease pressure on public spending." He said, "The government wants to encourage private initiatives in higher education but not commercialisation." What we are witnessing today is, in fact, commercialisation of education at all levels.

Mukesh Ambani and Kumarmangalam Birla, in their Report on "A Policy Framework for Reforms in Education" submitted to the prime minister's Council on Trade and Industry in April 2000 considered education as a very profitable market. These two industrialists made a case for full cost recovery from students and immediate privatisation of several segments of higher education. Only those who will be able to pay exorbitant amount of fees will enroll in higher education. For Ambani and Birla, education is a very profitable market over which they must have full control and for their industrial requirements "education must shape adaptable, competitive workers who can readily acquire new skills and innovate."

A large number of students enrolled in universities and colleges situated in small towns are first generation learners. These students could go to institutions of higher education because of the subsidy given to higher education and the prevalent fee structure. But this is also a fact that very few of the students in the age group of 17-23
years could afford to go to universities and colleges. What about those that are left out? They could not bear even the so-called "paltry fees" which the government wants to increase several folds.

In order to strengthen national intelligence, to increase contacts with the scientific and intellectual community of the world, and to increase capabilities and upgrade knowledge for further development, our country has no option but to strengthen its public higher education system. These key issues cannot be delegated to private institutions.

**ABSOLUTE NECESSITY OF WTO AND GATS in HIGHER EDUCATION:**

It is absolutely clear from the recommendations given in the Tenth Five Year Plan Proposal and the Report of the NIEPA (National Institute of Educational Planning and Administration) Seminar that the government is going in the direction of bringing higher education under the umbrella of GATS. Even when no specific commitment has been made, the government has already taken steps in line with the provisions of the GATS. All the modes of trade in education service are being used. The UGC has already issued instructions for reserving 15 per cent seats in addition to already existing ones as supernumery seats for foreign students. Thus the class size and the workload of teachers and employees are going to be increased without any additional funds.

The deemed universities are allowed to open their campuses anywhere in the country or abroad. Thus, any existing private institution or a
new one with bare minimum funds and facilities will be encouraged to get the status of a deemed University in order to run courses for profits.

Globalisation has forced the education system to reinvent itself. The main role of universities to create, assimilate and disseminate knowledge is being given up in favour of the marketplace.

The government at the centre has already declared students loans and the limit of loans has been increased upto Rs 15 lakh. They prefer to cater to economically better-off students. The conditions of guarantee based on co-obligation, the mortgage of immovable property, etc. would further exclude a large section of students. Since dowry is an important social phenomenon in several countries including India, loans to students would work as a 'negative dowry' resulting in decline in the enrolment of girls in higher education. It is being argued that the student loan programme may be revitalised to generate some resources for higher education in the long run. A margin money of 5 to 15 per cent is also proposed. By this measure those who do not have resources to study would be forced to pay further for future investment. Instead of student loan program the government must bear the full cost of education and the students belonging to the weaker sections should be given scholarships to meet fees and other expenses.
Conclusion - Higher education, WTO & GATS:
Under the dictates of the World Bank, WTO and GATS, the cherished function of higher education, the enquiry search, creation and dissemination of knowledge and instilling sensitivity or social awareness in its students in India is under fire. The steps (e.g. reducing state funding limited access to higher education, heavy cost recovery, loans to students, terming higher education as a non-merit good, assessment and accreditation of institutions, autonomous status to colleges, self-financing courses and institutions, and privatisation and commercialisation of higher education, etc.) taken by successive governments at the centre and now actively pursued by the government would lead to the dismantling of the state funded higher education system.

The World Bank, WTO and GATS dictated policy on higher education must be reversed. As citizens of India, we have to ensure that the government takes care of public interests and acts to protect public services like health and education. Otherwise, the country would be dependent on developed countries for its requirements in qualified manpower, essential for its all round development. Therefore, the future progress of our country is at stake. It is the responsibility of the whole society to rise to the occasion and take measures so that the process of dismantling the higher education system in the country is reversed.
3.6 Previous Research in Educational Administration:

Amongst the educational research endeavors (18), the surveys are oldest. In 1817, Marc Antoine was founder of comparison, analysis, and research in educational administration field. The questions were posed at that time but unfortunately they were not chased and answered at that time.

Modern questionnaire technique was developed by Stanely Hall in the end of 1800s.