Higher Education and Economic Development in India

Ramesh Kumar (Research Scholar)
Department Of Economics (BHU Varanasi)
Email id: rameshkumar2020eco@gmail.com

ABSTRACT
It is essential for economic development with the physical objects - with the development of human capital is required. But of these who we need to be the first priority of the problem is old. Especially in the development of human capital is higher education, there happened an important place in this area is person’s a productively ability. Higher education saw the economic scale is clearly evident in the market demand for services which have pace. Returns to scale cost-benefit analysis and economic techniques, we have the education and economic development can provide a rapid pace. But if education is based on the economic analysis of the problems can be somewhat successful. But India's economic and educational base in the country tradition, faith and is based on heredity. Education setting, the country still lags behind many developing countries also. So I GATS and higher education in India has been the subject of research. It related are the subject of my research, especially education and research in national and international level are of technological change have attempted to assess the impact on economic growth.

Keywords: GATS, FDI

I. INTRODUCTION
The General Agreement on Trade in Services (GATS) is a multilateral agreement under the World Trade Organization (WTO), which also includes education. This sector is the core sector of born developed and developing countries. Importance of the sector is an under:
1. Utilization of human resources in comparison to the other factors of production in production process.
2. Selection/choice of resources between consumers and producers.
3. Reduction in the opportunity cost of traditional resources.
4. It is most profit profession/occupation.
5. Sources of revenue for the government.
6. In- flow of foreign capital.

The research topic is related with service delivery and service provider from one country to another country.

The nature and mode of supply under the GATS are divided into four modes:

Mode I - Cross border supply: This includes supply of education ‘without’ the movement of consumers or providers. Mainly e-learning and courses offered on the internet are covered in this mode. Also, correspondence courses through postal delivery systems could be included. (This also means an accompanied liberalization of IT and postal services, which are part of separate negotiations). Distance learning on the internet is a more recent phenomenon. However, this mode is perceived to have a very high potential of growth across the globe.

The principal barriers to trade in higher education services as regards to mode I are the following:
- Inappropriate restrictions on electronic transmission of course materials.
- Economic needs test on suppliers of the services in question.
- Lack of opportunity to qualify as degree granting institution.
- Requirement to use local partners, with at the same time a barrier against entering into and
exiting from joint ventures with local or non-local partners on a voluntary basis.

- Excessive fees/taxes imposed on licensing or royalty payments.
- Restrictions on use/import of educational materials.

**Mode II – Consumption abroad:** This mode includes the movement of consumers or students going abroad. Presently, this is the mode, which has the largest numbers since, conventionally; the only way to acquire higher education offered by the best universities/institutions of the world was to enroll in them at the site. Barriers to this mode include visa requirements and costs, recognition of prior qualification, quotas on the number of students and restrictions on employment while studying.

The principal barriers to consumption abroad are:

- Measures that restrict the entry and temporary stay of students, such as visa requirements and costs, foreign currency and exchange controls
- Recognition of prior qualifications from other countries
- Quotas on numbers of international students in total and at a particular institution
- Restrictions on employment while studying
- Recognition of new qualification by other countries

**Mode III - Commercial presence:** This may prove to be the most difficult of the modes to negotiate since it involves market access and market presence. It includes local branches of foreign institutions as well as joint ventures set up by one country in another member country.

The common barriers include:

- The inability to gain the required licenses to grant a qualification
- Subsidies provided solely to local institutions
- Nationality requirements
- Restrictions on recruitment of foreign teachers
- Government monopolies
- Difficulty in obtaining authorization to establish facilities
- Prohibition of higher education, adult education and training services offered by foreign entities.

**Mode IV – Presence of natural persons:** The fourth mode exclusively deals with the movement of natural persons who are service providers (independent of commercial presence). Trade in educational services under this mode could be teachers or researchers going abroad on a temporary basis as providers of services. The perceived barriers in this mode are mainly related to the tight immigration policy traditionally followed by developed countries and the issue of the recognition of qualifications of the third world professionals. Since the third world is perceived to have a comparative advantage in this mode, the removal of barriers would be to their advantage.

The main statistic which is available for most economies is on the total expenditure on goods and services for those travelling primarily for education purposes (see Table 1). Available figures generally support the trends in student mobility. Predominant exporters of education services, as far as consumption abroad (mode 2) is concerned, are developed economies. The top 10 exporters in 2007 included the United States (US$15.9 billion), Australia (US$10.3 billion), United Kingdom (US$7.6 billion) and Canada (US$2.2 billion). The average rate of growth in total exports from 2002 to 2007 was 12 per cent. Top 10 importers included Korea (US$5 billion), United States (US$4.7 billion), Germany (US$2.4 billion) and India (US$2.1 billion). While just outside the top 10, developing countries such as Malaysia (US$199 million) have emerged as significant exporters. Developing countries are also increasingly major importers of education services, with India (US$2.1 billion), Malaysia (US$1.3 billion) and Nigeria (US$1 billion) featuring among the top 10 importers for 2007.
Table 1: Major exporters and importers of education-related travel expenditure 2007*

<table>
<thead>
<tr>
<th>Rank</th>
<th>Exporters</th>
<th>Share of top 20</th>
<th>Share of top 20</th>
<th>Importers</th>
<th>Share of top 20</th>
<th>Share of top 20</th>
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<tr>
<td>1</td>
<td>United States</td>
<td>15600</td>
<td>38.2</td>
<td>1</td>
<td>Korea, Republic of</td>
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<td>2</td>
<td>Australia</td>
<td>10214</td>
<td>24.7</td>
<td>2</td>
<td>United States</td>
<td>4700</td>
</tr>
<tr>
<td>3</td>
<td>United Kingdom</td>
<td>7012</td>
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<td>Germany</td>
<td>2400</td>
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<td>Canada</td>
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<td>5</td>
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<td>10</td>
<td>Australia</td>
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<td>11</td>
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<td>Cyprus</td>
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</table>

*As certain Members either do not collect or report data on this item, they may not appear in the list. The European Union does not report a single EU-27 figure for this item. The BOP definition for education-related travel expenditure can be found at: [http://multis.europa.eu](http://multis.europa.eu) (DG-MEST/GATS2010.pdf) (paragraphs 3.113, 3.123 and 5.246).

Source: These figures are based on information available to the WTO Secretariat.

II. OBJECTIVES OF THE STUDY

The objectives of the study are threefold

- First goal is to get a further and deeper understanding of GATS’ impact on higher education; more particularly its impact on the nation-state and the way it steers the higher education system. By doing so, the study is meant to be a contribution to the on-going discussion about the impact of globalization in higher education as well as to the debate about the role of a nation-state in its increasingly complex environment. At the same time, the study seeks to find connecting links between theoretical globalization concepts and to place GATS and its relation with higher education into right perspective. By discussing the globalization concepts and applying them to GATS and its impact on Higher education, we can see how helpful they appear in explaining causes, consequences and interrelations in such a complex field of current higher education.

- Second this study is to discuss an appropriate conceptual framework which would allow us to look at the ‘static’ dimension of GATS rules and Disciplines and the ‘dynamic’ dimension of Educational expenses, student migration, views and actions mainly during the Doha Negotiation Round as both potentially influencing the higher education landscape in a particular country, and more specifically the steering capacity of a nation-state in higher education.

- Third objective concerns mainly the empirical part. By analyzing and systemizing published materials on GATS and its impact on various components of Higher education as well as standpoints and views of both proponents and opponents of higher education inclusions in GATS and the study seeks to increase the understanding in the study field and provide some in-depth material further studies.

III. OTHER OBJECTIVES

- Maintenance and improvement of the quality of education activities in India.
- To Measures ensure international equivalence of degrees and diplomas.
- To study Protection of consumers (learners) to ensure that high quality service provider.
- To identify the Cost of education variables.
• To examine the Educational investment policy such as admission fee equipment’s, maintenance cost.
• To study Students assistance programme such as special rebate, scholarship etc.

Hypothesis/Hypotheses:
The hypotheses are:
1. Indian education system import quality education provider to other countries
2. Education expenditure has been rising among countries.
3. GER in India has been rising

IV. METHODOLOGY & DATA BASE
The study will be based upon secondary data. Data to be used in the study would be collected from various sources like- www.Wto.org, www.World bank.in www.U.N, OECD, UNESCO, NIEPA, MHRD, UNTDA, IIIEP. Employ document review and statistical figures as the main vehicle to achieve its objectives. It consists of internet research as well as policy papers and other official documents. Specifically, the study will review and analyses relevant Indian educational documents and foreign student enrolment statistical figures including:

1. Documents regarding the country’s strategy in promoting its universities and institutions of higher learning, within India and the world at large;
2. Trends in statistical figures in enrolment of foreign students from the other developed countries.
3. Regional protocols (especially the latest versions) on movement of other natural persons.
4. Publicly available documents (literature) which deal with exportation of higher education services by Indian institutes of higher learning.

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