

SWOT Analysis Of Privatization Of Higher Education In India Under WTO Regime

Thimmaiah Bayavanda Chinnappa¹, Dr. N. Karunakaran^{2*}

¹*Assistant Professor, People Institute of Management Studies (PIMS), Kasaragod, Kerala, India.*

²*Principal and Research Guide in Economics, People Institute of Management Studies (PIMS), Kasaragod, Kerala, India.*

Email: narankarun@gmail.com

A B S T R A C T

Higher education in India faced challenges and cut throat competition in the WTO regime. Foreign universities, professional, business, technical, distance learning universities, institutions will be allowed to open their centers. Education is cutting across barriers, crossing all frontiers and expanding its horizon. WTO would open international education sectors in India to foreign universities and will have the reciprocate opportunities. The country will have to respond in pro-active manner by adopting open and flexible structure that is professional contemporary and need based. Higher education has many threats and needs more holistic, flexible and vibrant universities. This paper attempts the strengths, weaknesses, opportunities and threats for India in the face of increasing globalization of higher education.

Keywords: Higher Education, WTO, Globalization, Privatization, SWOT Analysis, India.

1. INTRODUCTION

India is lagging behind in higher education as compared to advanced countries. In the world it is one of the largest systems; seems to be backward and comprises only 6.7 per cent students, whereas this percentage is more than 60 per cent in most of the developed countries. Moreover the system is faced with diversity, ambiguity and complexity much more than other countries [1]. India is spending only meager share of 3.5 per cent G.N.P. on higher education, which falls short of the required investment rate of 6.5 per cent G.N.P in education.

The country is still a developing country with a highly skewed distribution of income and wealth. Minimum 27 crores people are below poverty line having less than one dollar income per day. About 33 per cent population is illiterate. The extent of disparity between rich and poor is around 73:1 and has been increasing [3]. There are around 55 lakhs highly educated and professionally skill-oriented people availing fully the benefits of economic progress of the country. Less than 10 per cent of our boys and girls receive university education, which is much below that of other developing countries like Egypt and Thailand. In the USA and advanced countries more than 70 per cent students are getting the benefits of higher education [4].

2. IDEOLOGY OF HIGHER EDUCATION

Higher education occupies a prestigious place even in the modern context of contemporary society. It is expected to play a significant role in overall material and spiritual development of mankind and their surroundings [4]. It is fundamental to the overall harmonious development towards adequate preparation for life. In the light of new changes caused by the policy of economic liberalization, globalization and privatization, the policy on higher education is being rethought and revamped for creating competitive human resources of international standards [5].

3. WTO AND HIGHER EDUCATION

After the Second World War, the job of recognition of countries was undertaken through a variety of effort. Establishments of worldwide institutions like the International Bank for Reconstruction and Development (IBRD) and International Monetary Fund (IMF) are some of them. The general

agreement on Tariffs and Trade (GATT) entered in to by the member countries is one of the milestones in this direction [6]. Since 1947 till 1990, however, the thoughts of opening up of economies for free trade-relations started flowing. The GATT was replaced by WTO with effect 1st January 1995. The reunion of member countries of WTO works through ministerial conferences organized to establish rapport and to develop bilateral and multilateral trade [7].

The Educational service envisaged by the General Agreement on Trade and Services (GATS) has been laid down in Article 1.2 of GATS negotiations in which, the classification of different modes of trade in education is as follows.

- Cross border supply through distance education, online courses and educational material;
- Consumption abroad through foreign students;
- Commercial presence through establishing institutions/universities abroad; and
- Movement of natural persons through exchange programmes of teachers.

The Educational sector has been divided into different educational products as primary, Secondary, Higher education, adult and continuing education and other educational service of short-term job-oriented training programmes. The GATS has spelt out in Article 11.1, the most Favoured Nation (MFN) clause to be followed by member countries. In yet another principle the National Treatment (NT) has also to be accorded by member countries. Though India has yet to make any commitment for education service under the specified services of GATS, there are a lot of challenges on the horizon. Particularly in higher education sector conventions, general-degree oriented, non-professional education is a matter of great concern. In the GATS agreement, services are categorically divided into 12 sectors; business, communication, construction and engineering, distribution, education, environment, finance, health, tourism and travel, recreation, cultural and sporting, transportation and other services [8].

The free trade scheme as envisaged under GATS will guarantee that academic institutions or other education providers would be free to:

- (a) export and import degree, diploma programmes;
- (b) award degrees, diplomas and certificates with minimal restrictions;

- (c) invest in overseas educational institutions;
- (d) employ instructors for their foreign ventures; and
- (e) Setup educational and training programmes through branches, franchisee, distance, and online learning technologies without controls.

Higher education system in India is witnessing major changes following economic reforms and implementation of WTO provision [12]. The regulated institutions are being transformed into market driven ones. Private business concerns are being given a major role in terms of production and distribution of services and products, once offered by the public sector concern. Therefore, focus of higher education must be shifted from public service orientation to the efficiency-led orientation [9].

Trade in services including education is being encountered by a multilateral framework of GATS. More than 40 countries have already given commitments for trade in education, including higher education. As a result, global demand for international higher education is set to grow enormously. The world demand for international students will increase from 1.8 million in 2000 to 7.2 million international students in 2025. India and China will together generate more than half of the world demand for international higher education in the years to come. USA, UK, and Australia have already been sourcing students from India for their educational services. India happens to be the fourth-largest market for USA educational services. Indian students go for higher education to western countries despite substantially high levels of tuition fees [10]. The WTO regime is going to facilitate sourcing of foreign students as well as educational technologies. India can exploit various opportunities arising from WTO provisions. However, it requires an efficient and quality-led education.

4. SWOT ANALYSIS

The strengths, weakness, opportunities and threats of our Indian universities or higher education as follows:

4.1. Strengths

- huge infrastructure of the Indian universities;
- cost effective education offered by them, and
- wide and deep-rooted network.

4.2. Weakness

- Lack of market orientation in designing curriculum;
- Low quality education;
- Bureaucracy and red tapism in the administration of universities; and
- Laxity and inefficiency.

4.3. Opportunities

- Huge inflow of foreign students resulting in huge revenues;
- Opportunity to expand the universities beyond boundaries of the country; and
- Competition resulting in improved efficiency of the universities.

4.4. Threats

- Competition with foreign universities would enhance the cost of higher education making it beyond the reach of the meritorious but poor students;
- Foreign universities through their innovative marketing techniques would sell courses that have become irrelevant in their countries to the Indian students;
- Marketization of higher education would adversely affect the culture of the Indian universities;
- There will be mushroom growth of both foreign and domestic private universities with the sole objective of profiteering;
- The gap between the urban and the rural areas and the developed and the backward regions in terms of the spread of higher education would get widened; and
- The private universities may not be bothered about the social considerations in providing the education.

5. FUTURE CHALLENGES

While admitting the inevitability of internationalization of higher education, made suggestions for gearing up the present system to face the future challenges, they are as follows:

- Strengthening of regulatory framework to direct the growth of the higher education in the desirable direction for the benefit of the society;
- Corporatization of education to enhance the accountability of the institutions to the stakeholders;
- Making the privatization a gradual process instead of a sudden blow;
- Making the courses offered market relevant;
- Taking uncompromised stand as far as imparting to the students the moral values and Indian culture;
- Promoting public-private cooperation in expanding higher education;
- Entering of MOUs by the Indian universities with foreign universities for improving the quality of the courses;
- Faculty and student exchange programmes on a large-scale between the domestic and the foreign universities;
- Introduction of job-oriented courses by the Indian universities to benefit students;
- Expansion of distance education on a large-scale particularly in social sciences;
- Establishment of linkages between the industry and the educational institutions;
- Improving the quality of the faculty by making them not only the effective imparters of the existing knowledge but also the creators of the knowledge through quality research; and
- Providing a level playing field between the public and private universities.

6. CONCLUSION

It is recognized that 21st century is ‘Century of Knowledge.’ The task force on Higher Education and Society [11] has realized that higher education is no longer, a luxury, it is essential for survival. India has abundant scope and potential market for development as well as dissemination of higher education. Global competitors in this field will have access anywhere under GATS of WTO. Indian education system shall have to accept the challenges of entering into world market, so that quality is sustained up to the mark. Overall and equitable development is must and seem to be an inevitable policy. Human values should be the soul of every education system whether public, private or both.

REFERENCES

- 1) <https://www.gktoday.in/topic/impacts-of-globalization-on-higher-education/>
- 2) <https://www.yourarticlelibrary.com/globalization/the-impact-of-globalization-on-higher-education-in-india/5577>
- 3) <http://www.dypatil.edu/schools/management/wp-content/uploads/2015/10/SujataDhopte-2011-Ph.d.pdf>
- 4) <https://ijip.in/articles/impact-of-globalization-on-higher-education-in-india-issues-challenges-and-alternatives/>
- 5) https://www.googleadservices.com/pagead/aclk?sa=L&ai=DChcSEwjnxZmd5fbzAhVgmmYCHbfXAoQYABAAGgJzbQ&ae=2&ohost=www.google.com&cid=CAASE-RopiXnciB3uxUCugqO_YPGIhY&sig=AOD64_3AwOiAig95ynEwTbaVC6tT_oakKg&q&adurl&ved=2ahUKEwiViZGd5fbzAhWA7XMBHeMfCwMQ0Qx6BAgCEAE
- 6) Karunakaran N (2020), "Role and challenge of Rural Banks in the Financial Inclusive Growth of India", *Journal of Management Research and Analysis*, Vol. 7, No. 3, pp: 104-106
- 7) Rema R and Karunakaran N (2019), "Trend and Determinants of Non- Performing Assets in India", *Journal of Management Research and Analysis*, Vol. 6, No. 4, pp: 174-1177
- 8) Soji M Sebastian and Karunakaran N (2020), "Trend and Pattern of International Capital Flows in India", *Journal of Management Research and Analysis*, Vol. 7, No. 4, pp: 151-153
- 9) Thimmaiah Bayavanda Chinnappa and Karunakaran N (2021), "Consolidation in the Banking Industry: HR challenges, consequences and solutions", *Journal of Management Research and Analysis*, Vol. 8, No. 3, pp: 147-151
- 10) Rema R, Karunakaran N and Bisha V K (2018), "Digital money in India: Usage and hurdles", *ASNJJRA*, Vol. 12, No. 2, pp: 126-132
- 11) Thimmaiah Bayavanda Chinnappa and Karunakaran N (2021), "Shifting Paradigms on Strategic Customer Relationship Management", *Journal of Sales, Service and Marketing Research*, Vol. 2, No. 2, pp: 8-11
- 12) Thimmaiah Bayavanda Chinnappa and Karunakaran N (2021), "Indian Banking: The Road Ahead", *ASNJJRA*, Vol. 14, No. 1, pp: 17-28