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Guest Column

Lower the Barriers for Higher Education

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Indians aspire to give quality education to their children. Unfortunately, given our population, there are not nearly enough schools or reputed institutes of higher education in the country. Premier institutions like the IITs, IIMs or AIIMS have thousands of applicants for each available seat. Those with deeper pockets or financial aid often look overseas for graduate studies.

The business of higher education is booming notwithstanding significant trade barriers that dampen cross-border movement of students and faculty. According to OECD estimates, there were 3.7 million foreign students worldwide in 2009. Universities in OECD countries have captured 80% of the market.

The top three destinations for international students are the US (6,60,581 students), UK (3,63,363 students) and Australia (2,57,637 students). Together, these countries account for nearly 1.3 million, or 35% of all foreign students in 2009.

The main catchment area for university recruiters are developing countries in Asia. Chi-

na (5,67,982 students), India (2,11,083 students) and South Korea (1,27,291 students) are the top three markets.

You would expect host countries to welcome graduate students to their universities. Foreign students bring talent, ideas and pay higher tuition fees. The higher fees allow foreign universities to invest in faculty and research.

However, the reality is that host countries can do more for international students. Set aside the security issues or attacks on Indian students and look at the broader policy framework for cross-border trade in education services. There are significant market access and regulatory barriers to international movement of students and faculty.

Only around 50 WTO members have specific commitments to promote higher education services under the WTO's trade in services (Gats) framework. Even in bilateral or regional trade in services agreements, higher education and the mutual recognition of professional qualifications are not adequately addressed.

Given the inherent needs and the size of the Indian market, education services should be

kept on the radar. Some of the barriers affecting trade in the higher education sector are:

► **Portability of degrees:** Difficulty in translating professional degrees earned in India into equivalent recognised degrees overseas, and vice versa, poses challenges and requires attention. For students aspiring to become doctors, lawyers or accountants, the decision on where to study and eventually practice may hinge upon mutual recognition agreements (MRAs).

There are complications if an Indian MBBS or LLB degree is not recognised for an MD or LLM degree abroad. Supplementary qualification exams for fully-qualified professionals are also a dampener. ► **Fees:** Charity begins at home. A dual or multiple fee structure implies that fees for citizens, regional partners and other internationals are usually differentiated.

It is hard to argue that deserving students from Lagos or Lucknow should pay two or even three times more than a student from London. Scholarships may provide relief but more funds and attention are needed to bridge the widening gap in fees for domestic and in-

ternational students.

► **Other market access barriers:** Under the WTO's Gats framework, cross-border supply through distance education and e-learning is still at a nascent stage here. There is considerable scope here with advances in information technology. Consumption abroad continues to be the predominant form for trade in higher education services.

However, unlike a shopping binge overseas, which requires a tourist visa, students typically need a multi-year visa. The visa approval procedures and fees could be further streamlined to avoid turning back deserving students. Commercial presence requires the supporting regulatory framework for investment in higher education. North-South and South-South partnerships between institutes of higher education can be encouraged. There are 'twinning arrangements' being pursued such as setting up of branches or local campuses of foreign institutions, subsidiaries and franchising.

Finally, cross-border movement could also be encouraged to give higher education the necessary fillip. Student and faculty exchange pro-

grammes can be pursued.

The 'brain' and 'foreign exchange' drain from student and faculty migration can be arrested if reputed foreign universities start partnerships with domestic institutions. India has begun leveraging its institutes of higher learning overseas. The IIFT, for example, has a partnership in Tanzania and is now proposing a new collaboration in Uganda. The Indian School of Business in Hyderabad has tie-ups with several leading international business schools.

It is time to lower the barriers for higher education. India's services offer in the Doha negotiations takes cognisance of higher education services. The country's conditional offer envisages market opening in all four modes. Other trade partners could be requested to reciprocate in the relevant bilateral, regional or multilateral negotiations or forums. This is necessary if India is to reap a demographic dividend and provide technical skills and university education domestically or overseas for its growing population.

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