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**IMPORTANT RESEARCH ON WTO FRAMEWORK ON  
EDUCATIONAL SERVICES MARKETING IN INDIA**

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**ABSTRACT**

One of the main drivers, the Agreement on Trade in Services (GATS), has catapulted this sector from inconspicuous classrooms to the marketplace by designating it as a marketable commodity, forcing nations around the world to reevaluate their educational policies. The demand for higher education and technical training has multiplied in India as a result of the country's increasing industrialization. There are currently 17,625 colleges and 335 universities (215 State Universities, 20 Central, and 100 Deemed Universities). Overall there are 104.81 Lakh students enrolled in the formal education systems of these countries. India has one of the largest education systems in the world and the graduates of its technical and higher institutions have made significant contributions to the fields of management, information technology, science, engineering, medicine and various branches of business. The coordination and regulation of the Indian education system is quite good. It has multiple centers of expertise and is widely dispersed. International services were eventually included in the Uruguay round of WTO negotiations. At least 20% of documented global trade and the majority of domestic economic activity worldwide are in the service sector. By 2020, analysts predict that services will account for 50% of global trade. The liberalization of business education under the GATS has sparked public debate and many countries are still reluctant to join the negotiations. Based on the equity, unequal institutional forces and sovereignty of countries in establishing their national education policies and priorities, serious concerns have been raised about the possible negative impact of liberalizing services under the GATS.

**1. INTRODUCTION**

World Trade Organisation (WTO), built upon the organisational structure of General Agreement on Tariffs and Trade (GATT) and established in 1995, is an organisation responsible for negotiating and administering multilateral trade agreements among its Members.

The work of rebuilding a nation depends heavily on higher education, which also prepares the road for a country's entire prosperity. The twentieth century saw numerous revolutions, including the "Green Revolution," "White Revolution," "I.T. Revolution," and others that advanced human civilization. Higher education is given a lot of attention at the beginning of the twenty-first century. Every nation recognizes the importance of higher education and the advantages it brings. The importance of higher education has increased. "The need for higher education in society is growing. New financing structures for higher education have been established as a result of the state's inability to meet this expanding demand.

The three particular agreements currently under negotiation under the WTO are the General Agreements on Tariffs and Trade (GATI), the General Agreements on Trade in Services (GATS) and the Agreement on Trade Related Intellectual property Rights (TRIPS) dealing with goods, services and intellectual property respectively. In its Preamble, the Agreement establishing WFO spells out its objectives, namely, raising the standards of living and income, ensuring full employment, expanding production and trade and optimal use of the world's resources. This Preamble also recognizes that there is a need for positive efforts designated to ensure that developing countries, especially the least developed among them, secure better share of growth in international trade. The fundamental principles that the World Trade Organisation propagates among its Member states in all its agreements are:

- (1) Liberalization of market access for free trade (in goods, services and intellectual property),
- (2) Non-discriminatory treatment by Member states in formulating and implementing policy and
- (3) Intensifying competition at the international level.

### **Education Environment in India**

It is important to understand the work environment. A setting can be characterized as an environment. The environment is more likely to influence the actions of a person or organization. Environment can also be divided into internal environment and external environment. Understanding an organization's strengths, flaws, opportunities, and threats is made easier through a thorough investigation. It helps to anticipate opportunities and difficulties so that a company may be proactive in the face of a constantly changing environment. Internal environment can be largely controlled. The organization is free to use its discretion to change the circumstances. The organization's reach is constrained by the external environment, unlike the internal environment. It will limit and control the organization's operations. Moreover, it has a very dynamic nature. A proactive company must always anticipate changes and have perfect strategies to handle difficulties or take advantage of opportunities.

### **Higher Education in India**

In terms of higher education, India has traditional foundations. The Nalanda University, Takshashila University (also known as Taxila University), and Vikramshila University were three of the most renowned universities in ancient India. These colleges had a distinguished history of drawing academics from China and other East Asian nations. The first three universities of the modern era—the Universities of Bombay,

Calcutta, and Madras—were founded in 1857 at Bombay (now known as Mumbai), Calcutta (now known as Kolkata), and Madras (now known as Chennai), respectively. During the colonial era, university education only slowly began to expand. After the establishment of these three universities in 1857, it took another 30 years to establish Allahabad University as the fourth university and nearly another 30 years to establish Mysore University and Banaras Hindu University.

### Objectives

1. To find out the implications of WTO on educational sector at large
2. To assess the impact of conditionality clauses and trade clauses of WTO agreement on the educational sector.
3. To find out what are the economic implication of marketing of educational services on domestic Indian educational scenario
4. To assess the likely growth of educational sector in the coming future and projecting a suitable marketing model to meet the expected requirement

## 2. REVIEW OF LITERATURE

**Bhaumik** has argued in "The WTO: A Discordant Orchestra"<sup>13</sup> that the WTO is one of the most problematic multilateral organizations when it comes to providing free and unfettered trade flows across international borders. Despite its successes, the WTO suffers greatly from the competing goals of its constituent members, which serve as a barrier to advancement.

**Altbach, Philip G. and Patti McGill Peterson** Higher Education in the New Century: Global Challenges and Innovative Ideas, edited by The research examines six major issues facing higher education: academic careers, equity in employment and access, social cohesion in higher education, private higher education, foreign student flows, and research universities.

## 3. EDUCATION AS A SERVICE: SCOPE AND IMPLICATIONS

The importance of education in a person's life and the growth of a country has long been understood. China, at the time of Confucius, was the first civilization in human history to realize the value of education. China created an educational system during his reign that prepared the brightest brains to work for the state. Education was provided, appropriate candidates were chosen through an open test, and they received the necessary training.

Education has grown in importance to governments around the world since World War II. As human skills became human capital, which served as the foundation of nations, it determined not only individual statuses and positions in society, but also the competitive advantage of nations globally. Thus, higher education policy was to be the most important aspect of government for all states.

### WTO - Principles

1. The Members of this forum negotiate all multilateral trade relations pertaining to the aforementioned

Agreements.

2. The WTO also makes it easier to put the discussions' outcomes into effect, as approved by the Ministerial Conference.

As long as there are no unfavorable side effects, the system's main goal is to facilitate as much free commerce as possible because doing so is crucial for the growth and wellbeing of the economy. In part, this entails getting rid of barriers. Additionally, it entails ensuring that people, businesses, and governments are aware of the global trade laws and that no abrupt changes in policy will be made. In other words, the regulations must be foreseeable and "transparent."

The activity of the WTO also includes a third crucial aspect. Conflicting interests can arise in trade relations. Interpretation is frequently required for agreements, particularly those painstakingly drafted through the WTO system. The neutral process based on an accepted legal basis is the most amicable way to resolve these issues. The dispute resolution procedure outlined in the WTO accords serves this goal.

### **General Agreement on Trade in Services(GATS) and Principles**

The first World Trade Organization (WTO) multilateral trade agreement dealing with trade in services is the General Agreement on Trade in Services. The US has long contended that there is a need for a trade deal in the services sector because services have become a significant economic activity there, adding significantly to the gross domestic product (GDP).

At first, the idea was opposed by both established countries such as the EEC and Japan and developing countries such as India, Brazil and Egypt. They eventually caved in, though, under pressure from the US. The US maintained that the importance of the services sector had increased in both the developed countries' economy and their international commerce. At the time of the Uruguay Round negotiations, the services sector accounted for up to 70% of the gross domestic products of developed nations. They made a greater contribution to employment in industrialized nations.

Some important principles of GAT:

1. Any policy on market access barriers must be transparent and members must be notified of any discriminatory restrictions.
2. Members of Most Favored Nations (MFNs) should not be treated differently when dealing with service providers. "Favour one, favor all" serves as the guiding philosophy.
3. Progressive liberalization is needed and, due to legally binding agreements in the market access negotiation phase, the process must be irreversible.

### **Meaning and Marketing of service**

Marketing services is more difficult than marketing purely physical things. In the case of pure services, the difficulty is greater. Even after using the services, the user finds it challenging to assess their effectiveness. As a result, the customer feels there is more danger involved while using these services. In the case of pure service, the difficulty is greater. Even after using the services, it is difficult for users to evaluate their

effectiveness. As a result, the customer feels that the use of these services is associated with a high risk.

### Developing a New Course

One has to develop new courses if they are to compete with other universities. Traditional programs like B.Com, B.Sc and BA do not attract many high quality students. As a result, new specially designed courses with different specializations have been created. Every university has started offering these courses in response to the growing demand from students. This served as the basis for the current situation's survival plan. Since starting courses will ease the university's financial load, it is favoring those schools. The newly launched courses are entirely self-funded. We got the chance to chat with some individuals who are beginning and supervising new courses. Before classes begin, it is important to assess their operational feasibility and marketing potential. The course coordinator must select the best teachers to lead the course each year.

## 4. DATA ANALYSIS

### Higher Education – Caste Based Discrimination

The country's independence, numerical quotas of 15% for SCs and 7.5% for STs have become popular at the national level. Later, some governments also implemented a 27% quota-based OBC reservation system. This strategy has both costs (in terms of efficiency loss) and advantages (in serving equity aims).

Even though student enrollment in higher education has increased significantly, especially in the last two decades, India's GER in higher education is still less than half the global average GER (24%) and about two thirds that of developing nations (18%), making it significantly lower than that of developed countries (58%) (Source: 11th FYP Mid-Term Appraisal. The precise degree of GER is a topic of intense controversy in the nation.

**Table 4.1: Enrollments and GER (18-22 Years)**

	NSS 61 <sup>st</sup> round (2004-05)		NSS 64 <sup>th</sup> round (2007-08)	
	Enrollment (000)	GER %	Enrolment (000)	GER %
<b>(a) General and Reserved Categories</b>				
SC	1,898.5	8.72	2,485.5	11.54
ST	767	8.44	652	7.67
OBC	5,027.4	11.48	6,599.6	14.72
Others	7,787.2	22.52	8,886.6	26.64
<b>Total</b>	<b>15,480.1</b>	<b>14.19</b>	<b>18,623.7</b>	<b>17.21</b>
<b>(b) General and Minorities</b>				

Muslims	1,308.8	8.5	1,521.4	9.51
Non-Muslims	14,170.9	15.1	17,102.4	18.54
<b>Total</b>	<b>15,479.7</b>	<b>14.19</b>	<b>18,623.8</b>	<b>17.21</b>

**Source: NSS 61<sup>st</sup> and 64<sup>th</sup> Rounds**

According to the statistics in Table, the sample household survey carried out by the National Sample Survey Organization (NSSO) in 2007–08 did show exceeding the goal GER of 15% during the 11th FYP.

**Table 4.2: GER (18-22 Years) in Rural and Urban Areas**

	<b>Rural</b>	<b>Urban</b>
<b>NSS 61st Round (2004-05)</b>	8.42	16.18
<b>NSS 64th Round (2007-08)</b>	11.06	19.03

**Source: NSS 61<sup>st</sup> and 64<sup>th</sup> Rounds**

It may be noted that the GER in Table has been estimated on a five-year higher education cycle (18-22 years). The NSS data refer to only attendance. Getting Rid of Regional Inequality Disparities between groups and areas are also present in India as higher education expands. In order to mobilize increased involvement and raise the gross enrollment ratio, it is essential to ensure access to higher education. In actuality, regional discrepancies widened as India's higher education system grew.

## **5. CONCLUSION**

Moreover, to being an important driver of social change, higher education also contributes significantly to the overall development of a country. The 21st century is a significant representation of the rapid internationalization and globalization of society. Higher education-related businesses are expanding across borders in various ways. Until the WTO classified education as a tradable service with an emphasis on commercial aspects, educational exchanges between states and institutions were primarily non-commercial. The non-commercial aspect of educational exchanges is becoming obsolete and market forces are now shaping the content and scope of educational programmes, reshaping globalized cross-border educational transactions in any format. Under the effect of globalization, failures in the market systems of many nations produce distortions in educational materials. To build a better society in the future, even WHO, UNESCO, and other organizations are seriously focusing on higher education. Every nation recognized the need and advantages of higher education. GATS initially offered 161 services, including education. The Indian education system is based on traditional principles. Even in British Columbia, there were Takshashila and Nalanda universities. Demand for higher education institutions and universities are currently very high. The

difficulty facing higher education in India is preventing it from being privatized and from becoming a simple, profit-driven company in the open market. Corporate colleges have made higher education a commercial enterprise. Under GATS, private parties are playing a bigger role among emerging nations. Under its sway, cost-recovery and cost-sharing strategies were adopted by public institutions, and businesses were started to generate cash and make a profit in order to raise the funds required to run colleges.

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