

Impact of Economic Growth on the Education Sector: India and China Compared

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Abstract - India and China are comparable on the basis of landscape, population and economic development. When Economic growth continues over a period of five plus years, a country experiences economic development. Economic growth results in increased levels of income and higher standards of living for the nation. Both India and China, the Asian neighbors have witnessed economic growth after their implementation of Economic reforms. How has the growth transformed their education sector? A study reveals that the student enrollments in colleges and universities in India has grown by 107% between 2008 to 2016. The number of graduates and post graduates in China has been growing consistently at 30% per year for six years since 1999, reveals another study. When the quality of education is compared in terms of research publications in Economics and Business, China stands to lead India. What can India learn from China, to sustain its Economic growth trajectory?

Key words: China, India, Education, Enrollments, Human Capital.

I. INTRODUCTION

India and China, the Asian neighbors are the talk of the globe. Why? The countries with a vast landscape were predominantly agrarian economies, had a huge population, with most of them reeling under poverty and unemployment. India and China shared a similar economic status during the 1950s. The two nations today are the debate of the world with their fastest growth stories. The world Economists call this an Economic Miracle.

Both India and China initiated Economic reforms. China initiated reforms in 1978 while India initiated reforms in 1991, 13 years after China. The two countries opened up their economies, relaxed FDI norms, invited MNCs to invest in their nations and trade with them, transformed their economic structures, their business systems, adopted new technologies. The impact was - GDP rates grew at more than 9.5% (China) and GDP grew at more than 6.5% (India). This resulted in GDP per capita rising 4 times in China and 3 times in India, over 25 plus years. Millions of people have been pulled out of poverty. India and China are now witnessing a burgeoning /rising middle class, who can now afford Higher education, consume luxury goods or travel abroad for a vacation.

Today India and China are the world's fastest-growing economies. India is growing at 8.4% while China is growing at 6.5% (2018). As the GDP growth wave is still swinging up for the Asian giants, the question now is, how has the economic growth transformed their Education sectors?

China has witnessed an Education Boom say, researchers. So has India, if we look at the Gross enrollment rates in the Higher Education. A study reveals that the student enrollments in colleges and universities in India have grown by 107% between 2008 to 2016. The number of graduates and postgraduates in China has been growing consistently at 30% per year for six years since 1999, reveals another study. When the quality of education is compared in terms of research publications in Economics and Business, China stands to lead India. We go on to analyze the Impact - Economic growth has had on the education sectors of India and China. How the economic growth impacted the universities and higher education institutes? Has the student enrolments improved in the universities? If so, in which area? Do these nations attract foreign nationals into their institutions? What is the increase in the number of PhD.s in these nations? How much does the Government really invest in the Education sector? The paper tries to unravel answers with the help of data available for India and China.

II. EDUCATION SYSTEMS IN INDIA AND CHINA

Education in India is governed by the Ministry of Human Resource Development of India. The schools, colleges, and universities are funded and administered both by the Government and the private players. Compulsory education of 8 years of school education is mandated by the Government, but it is not so in practice. India follows 10+2+3 years of Education system. The whole nation takes an examination in grade 10 called the Board exams. The

results of the Board Exams qualify them to move to their Higher Secondary stream of 2 years. At the end of the two years, the students sit for another nationwide exam, which qualifies them to their graduate degrees. Indians are renowned world over for their English speaking skills and for their Math skills. India has a huge English speaking population. Educated Indians are the reason behind the success stories of the Indian IT sector, taking the country to Economic development. 100% FDI is allowed in the Indian Education sector.

Education in China is overseen by the Ministry of Education of the Peoples Republic of China. Education is mostly state-run, but post-reforms, there are private players as well. The Chinese must have 9 years of compulsory education, as per the Law of Compulsory Education. Primary school is for 6 years, followed by Junior School which is for 3 years. After the compulsory education is over, the students take an examination (Zhongkhaio), based on which they move up to their Senior Secondary education, which is for another 4 years. The tertiary education comprises undergraduate degrees (4 years), post-graduate degrees (3 years), doctoral degree (3 years). The students can opt for vocational courses or professional programmes, after their secondary school education. Students are taught in Chinese and English is introduced from grade 3. There are Chinese medium instruction

schools and English medium instruction schools. The universities teach in English.

III. RANK IN THE GLOBAL INNOVATION INDEX(GII)

The Global Innovation Index (GII) ranks 126 economies of the world based on 80 indicators, in which the innovation capabilities and results of the nations are evaluated. It is a benchmarking tool for the policymakers around the world on the global status of innovation of a country.

In the GII 2018 ranking, **India has been ranked at 57**, as the most innovative nation in the world. It has climbed up 3 ranks from its rank of 60 in 2017. It was ranked 81 in 2015.

China has improved its GII ranking from 22 to 17 this year in 2018. China is one among the leaders in converting knowledge into technology outputs. China is also a leader in terms of research publications.

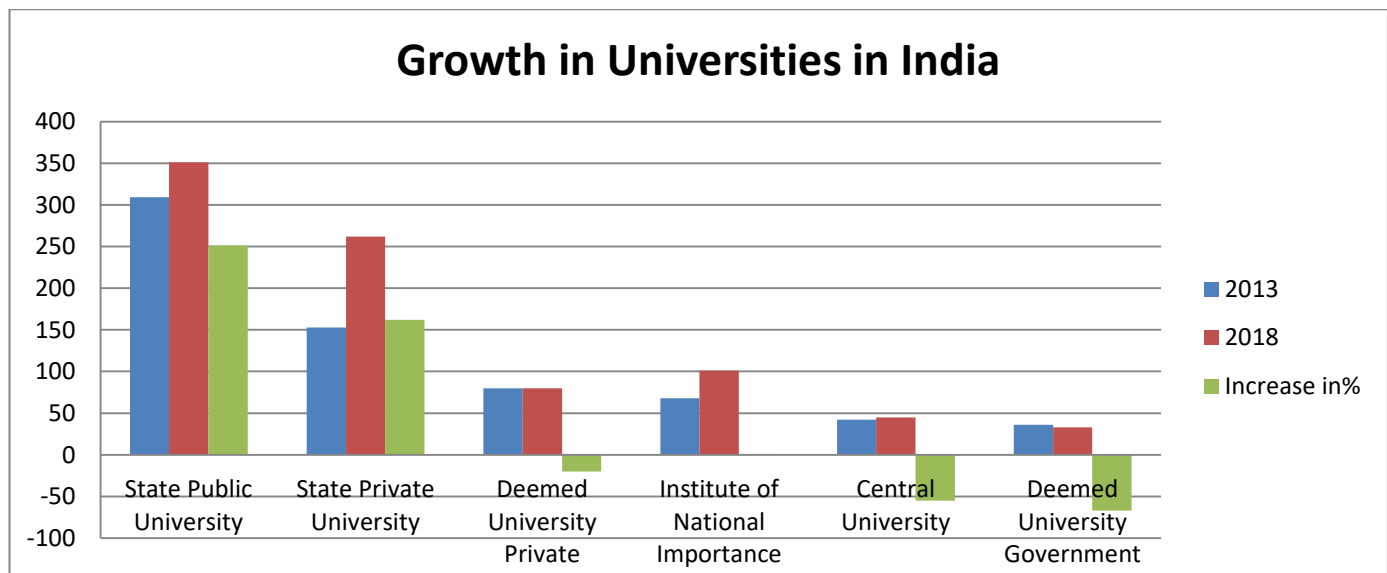
IV. GROWTH IN UNIVERSITIES AND HIGHER EDUCATION INSTITUTES

India:

The institutions of higher education in India are categorized into Universities, Colleges, and Stand-alone institutions. Indian universities are classified into 5 major types as State Public University, State Private University, Deemed University – Private, Institute of National Importance, Central University and Deemed University- Government.

University Type	2013	2018	Increase in Percentage
State Public University	309	351	251%
State Private University	153	262	162%
Deemed University Private	80	80	-20%
Institute of National Importance	68	101	1%
Central University	42	45	-55%
Deemed University Government	36	33	-67%

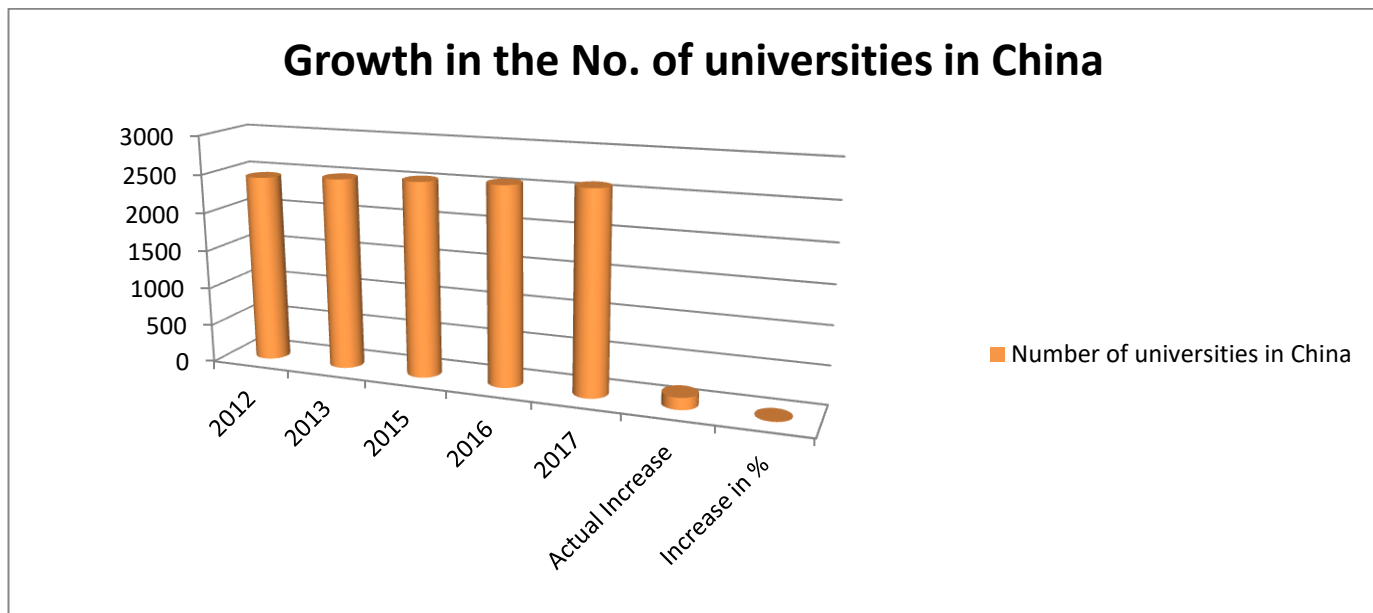
*Source: AISHE(2017-18)



China:

Chinese universities are divided into 4 tiers - Tier 1, 2, 3 and 4, with the Tier 1 universities receiving substantial funding from the Government, to develop them as research centers. Tier 1 universities (the 985 universities), Tier 2 (the 211 Project) Tier 3 (the comprehensive universities) and Tier 4 (the vocational and technical Institutions). As per the Higher Education Policy of China, the policy directs the universities of China to achieve world-class status. In this direction, the small universities are consolidated into one big university, to receive funding from the Government. A study records 431 consolidations between 1991 to 2006 in China. China’s top universities like Qinghua and Peking universities are ranked 58 and 71 in the world in quality.

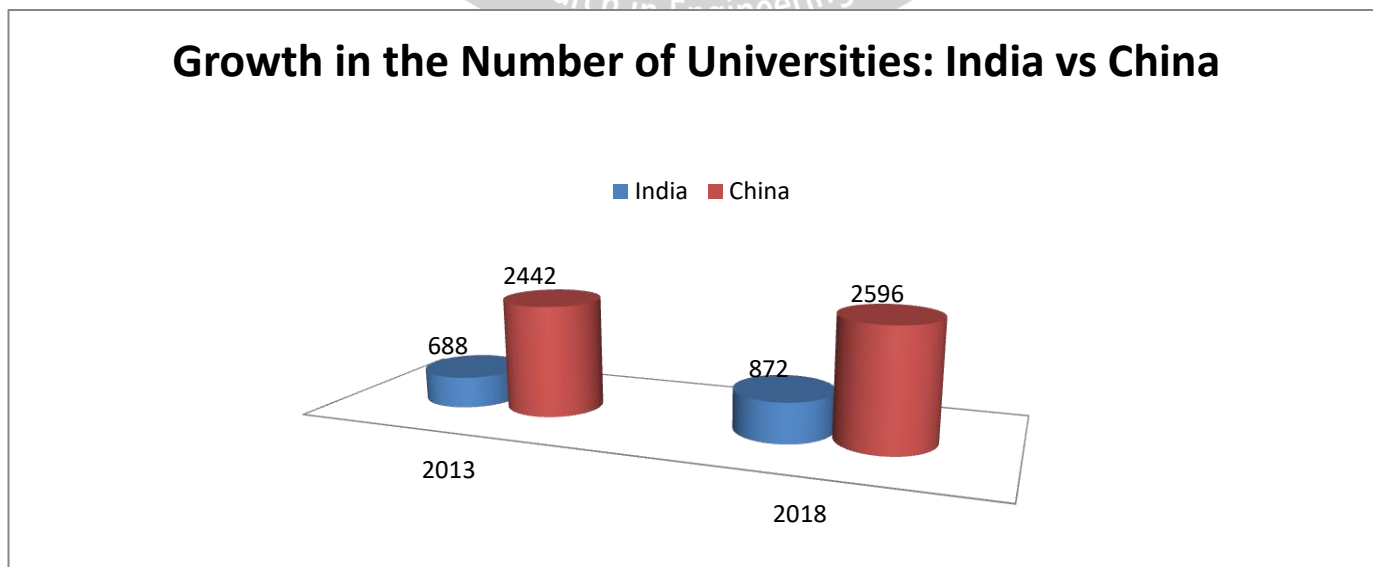
Year	2012	2013	2015	2016	2017	Actual Increase	Increase in %
Number of universities in China	2442	2491	2529	2560	2596	154	6



*Source: www.statista.com

Growth in the No. of Universities: India vs China

Number of Universities	2013	2018
India	688	872
China	2442	2596



V. GROWTH IN STUDENT ENROLMENTS

China and India supply close to nearly 6.4 million Science and Bachelor degrees of the world (almost 46%), says a research study.

India:

As per the 2011 Census, the literacy rate of India stands at 74 %. The term Literacy indicates that a person can both read and write. The Gross Enrolment Ratio (Higher Education) for 2018 stood at 25.8 as compared to 23 in 2013. This is an indicator of growth in student enrolments in higher education. There is a higher share of male enrolments (52.4%) than female enrolments (47.6%).

China:

China boasts of a literacy rate of 100% in 2011, among its youth and middle-class citizens. The enrolment rate in higher education in China is 48.44%, reveals The World Bank data. The number of student enrolments in Higher education has gone up from 17.39 million (2006) to 26.96 million (2016), reveals Statista.com data.

VI. FOREIGN NATIONAL STUDENTS STUDYING IN THE COUNTRY

Both India and China are now a destination to increasing number of foreign national students, earning their degrees from the Indian and Chinese universities.

India:

A 2017-18 Survey shows 46,144 foreign national students studying in India. This includes students from Afghanistan, Nepal, Bhutan, Nigeria, Sudan, Iran, Bangladesh, U.S., and Sri Lanka. With regard to Ph.D. enrolments, maximum enrolments are from Ethiopia (215). A significant 14% of Ph.D. enrolments in India are from the U.S. of which 54% of them are female students.

China:

Over 4, 40,000 foreign national students were enrolled in the Chinese universities for higher learning in 2016, marking a 35% jump over 2012. Statista, reveals that 23,838 students had enrolled in Chinese universities for higher education in 2016, from the U.S.

VII. GROWTH IN GOVERNMENT FUNDING TO EDUCATION

The percentage of expenditure in Education in GDP is an indicator of the funding the education sector receives in its budgetary allocations by the respective Governments.

India:

India has been spending 4% of its GDP towards the Education sector in the year 2018, as per the Union Budget

allocations. That's a 10% increase in budget allocations over the year 2017. But the years 1999, for India, shows an allocation of 4.4.8% for the Education sector. Comparing the allocations of the budget to different sectors like Defence and Subsidies, the education sector is still least valued, says an India Today release. 100% FDI is permitted in the education sector in India. India has received the U.S.\$ 1.7 billion as an investment in the Education sector from 200-2018.

China:

China allocates more than 4% of its GDP towards funding Education in China. This is an improvement from 1.8% in the year 1999. China's government policies aim to improve the skill of human capital, by increased spending on research-based activities. The main source of Education funding in China is the Government, the funding coming from the treasuries of China's central and local treasuries (80.54%). The Chinese government believes that funding in education must be in line with the growth of the national economy.

VIII. CONCLUSION

Education in India and China is seeing a transformation because of the Big Push reforms of the Government. The Chinese Government seems to be more ambitious in taking their education world class in terms of investments and policies. The data comparisons for India and China, show that both are on the growth trajectory. Yet, China is way above India in the comparative story presented in the paper. India still lags in its spending on Education. World comparisons show countries like Israel investing nearly 7% of their GDP on education. There are countries like Botswana which spend above 10% of their GDP in the Education sector. There is a huge capacity for growth in the education sector and much lies in the hands of the Indian policymakers, to put India on the global map.

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