

Service Sector in India-Growth and Opportunities in Higher Education

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Abstract – This paper aims to get an overview of service sector in India and to know growth opportunities in higher education. The service sector is one of the important sectors economies in three sector model. India ranks 15 in the service sector. The service sector in India comprise wide range of activities such as financial, business process outsourcing services, transportations, real estate, instructions, hospitality among many others. Now the Indian higher education is at a cross road. The growth of India's higher educational institution has been spectacularly rapid. The number of enrollment has become more doubled.

Keywords: Service Sector, Higher education, Growth, Opportunities, GDP.

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INTRODUCTION

Among fast growing developing countries, India is distinctive for the role of service sector. The service sector's share in India's gross domestic product (GDP) increased consistently since its independence. Also the increase in the share in the economic output is almost consistent with fall in agriculture's share. It contributed half of India's output at the beginning of the millennium for the financial year 2014. It increased to nearly 60% whereas agriculture output decrease to 14%. The Central statistics office is the government's statistical gathering information in India. It classifies the service sector into four industries:

1. Trade, hotels and restaurants
2. Transport, storage and communication
3. Financing, insurance, real estate and business services
4. Community social and personal services

The growing share of the services sector in the GDP of India indicates the importance of the sector to the economy (GOI 2012; Eichengreen and Gupta 2010; Singh 2006; Papola 2008). The service sector accounted for about 30 percent of total GDP of India in 1950. Its share in GDP increased to 38 percent in the 1980, then to 43 percent in the 1990 and finally to about 56.5 percent in 2012-13 (GOJ 2013). Thus, the services sector currently accounts for more than half of India's GDP.

REVIEW OF LITERATURE:

Kandampully, (2009) the service sector will play an important role in economic growth in developing countries like India. However, he said that as income levels increase people will be able to afford more services while they will be spending this addition income on quality services such as education, health, travel etc. On the other hand, small scale entrepreneurs can step in to meet this need of the people for more and more service with growth in income levels and lifestyles changes while the service sector will provide more employment opportunities than manufacturing sector.

G. Ramakrishna (2010) investigates that apart from service sector growth, industry, agriculture and the open policies of 1990 also had positive impact on India's economic growth thought, the service sector appears to contribute more.

Seema Joshi (2008) study provides the overview of performance, prospects and problems encountered by the service sector in India's economy. It is heartening to note that India is called the services of hub of the world. The traditional perception of India stands changed today from a land beggars, snake-charmers and cyber-coolies of yesteryear to a land of knowledge workers thanks to IT and ITES. Telecom and ITES-BPO revolution have already hit the shores of India.

OBJECTIVES OF THE STUDY:

The objectives of this study are as follows

1. To get an overview of Indian service sector.
2. To know Growth and Opportunities in higher education.

OVERVIEW OF INDIAN SERVICE SECTOR:

A service sector is one of the important parts of in Indian economic development India's service sector contributes to about 60% of the country's GDP, 35% employment a quarter of the total trade and over half of the foreign investment inflows. Its contribution to the Indian economy is particularly significant with regard to employment potential and impact on nation income. The services industry provides massive business prospects to investors without the sectors capacity to generate revenue, it would be difficult for the Indian economy. The service sector received Foreign Direct Investment equity inflows US\$ 2878 in period April 2000 — August 2013. About 80% of India's total exports are dominated by high skilled services such as software business services, financial services and communication services. The expenditure of Indian banking and securities companies on IT products and services is expected to be around US\$ 422 billion in 2013. The Indian tourism and hospitality industry has emerged as one of the key industries driving growth of service sector in India. Indian tourism industry is thriving due to an increase in foreign tourist arrivals and greater number of Indians travelling to domestic destinations than before. In the past few years the real growth has come from in the domestic sectors as around 30 million. Hotels are an important component of the tourism product. They contribute in the overall tourism experience through the standards of facilities and services offered by them. The fortunes of the hospitality industry have always been linked to the prospects of the tourism industry and tourism is the foremost demand driver of the industry. Travel and tourism's contribution to capital investment is projected to grow at 65% per annual during 2013 - 2023 above the global average of 5%. The tourism policy of government of India aims at speedy implementation of tourism projects, developments of integrated tourism circuits' special capacity building in the hospitality sector and new marketing strategies.

HIGHER EDUCATION IN INDIA:

The service sector provides intangible goods such as health, education and some quite new services such as modern communications, information and business services producing services tend to require relatively less natural capital and more human capital. Then producing agricultural or industrial goods. As a result demand has grown for more educated workers, prompting countries to invest more in education, an overall benefit to their people education i.e. the task of building rang of competencies skills and abilities is the tool that will

power the growth engine. There has been increasing awareness on the importance of quality higher education in the global economy. More and more students in India are opting for higher education and they are showing a keenness to pay for quality education. There are three principle levels of qualification in the higher education system in the country:

1. Graduation level
2. Post - graduation level
3. Doctoral level

A successful education policy forms the foundation of all fields of national development including political, social, economic, technical, scientific and environmental. Thus, the higher education is required.

GROWTH AND OPPORTUNITIES IN HIGHER EDUCATION:

Past independence India has witnessed an above average growth in the number of educational institutions. While there were just about 20 Universities and 500 colleges the time of independence. Today this number has grown speedy. Some opportunities for higher education are as follow:-

1. Best universities will open their branches: Globalization in education sector will attract some of the best universities in the world and open their branches.
2. World Class Research Facilities: It will also ensure world class research facilities for Indian students.
3. Employment Opportunities in MNCs: FDI in education would generate employment and also check the outflow of money which Indian students spend in foreign universities abroad.
4. Hub of Education for students from Asian countries: If foreign school and universities open their branches in India then many students from neighboring countries will come to study in those universities in India and India will turn into a regional hub on education.
5. Quality Education and faculty: The presence of top international universities in India would not only correct demand-supply imbalances in higher education and improve its quality directly; the resulting competition with local universities would also induce these to become internationally

competitive through quality improvements brought about changes in curricula and other responses to an evolving market. It will also provide wide exposure to Indian faculty.

6. Cheaper Residential Foreign Degrees: Study programs will be cheaper in relation to foreign degrees earned abroad.
7. Integration of Teaching Methodologies: Process of integration of an international dimension into the teaching/service/research function, competitiveness will be promoted and it has its implications on the foreign exchange as well.

CHALLENGES:

1. Dualism in education: The critics maintain that the quality could be maintained in certain specific sectors, where FDI takes place, whereas in mass education sector the indirect effect of quality may not take place. In fact, it might lead to dualism in education. Hence, critics maintain that there should be no liberal FDI policy in education.
2. Government Monitoring: The FDI policy envisages regulation of fees to tackle commercialization of education which will definitely deter entry of quality foreign universities. It provides for government monitoring on admission criteria which again might deter entry by high quality foreign universities which believe in using their own set of criteria.
3. Regulation of fee: The regulation of fee charged by foreign universities is advocated on the grounds of affordability, However, competition itself can ensure that fees remain affordable while promoting quality of higher education.
4. Competition: The introduction of competition in the most viable sections of the market would make it more difficult for domestic institutions to survive.
5. Influx of low quality foreign providers: Foreign providers invest heavily in marketing and advertising the foreign brand as the essence of quality. In the absence of reliable information on the true benefit conferred by a foreign higher education qualification, student choices are likely to be influenced by the "brand image" of the foreign provider's country rather than the institution itself.

CONCLUSION:

It is evident that the role of service sector in the growth of Indian economy is very significant, which

can be justified by the fact that share of agriculture and industry in GDP is reducing whereas that of service is constantly increasing. Another benefit of the growing service sector is that by using fewer natural resources than agriculture or industry it puts less pressure on the local, regional and global environment. Service sector plays a complimentary role and accelerates the process of development through quality improvement and enhancement with efficiency of productivity and developmental activities. The key role of private sector has played in Indian higher education and also recommends steps that the government can take to increase the participation of private players is strengthening Indian higher education. It has been realized that it is quality of education that prepares one for all pursuits of life. As a result from around the turn of the century increasing attention has also been paid to quality and excellence in higher education. It can be used as a powerful tool to build knowledge based society of the 21st century. The institutions of higher learning have to perform multiple roles like new knowledge, acquiring new capabilities, producing intelligent human resources pool. Indian higher education system has to address itself to global challenges through channelizing teaching, research and extension and maintaining the right balance between the need and the demand. Let India educate a billion ambassadors each one making India proud, standing tall on the world stage not because of the past but because of a productive, constructive present.

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