

Market Insight: South Asia

July 2020

Summary

The South Asian region comprising India, Sri Lanka, Bangladesh, Nepal, Pakistan and Bhutan together constitute nearly 35 per cent of total Victorian international student enrolments (Department of Education, Skills and Employment).

Governments in India and across the region are committed to internationalizing the education sector. Throughout 2019-20 we have seen policy measures across the region positively impacting international collaborations and partnerships.

Since March 2020, the region has been severely impacted by the coronavirus pandemic. The multi-phased lockdown imposed to curb its spread has had a large negative impact on South Asian economies. International student recruitment is likely to be impacted severely. We anticipate student mobility from the region will take two to three years to fully recover to pre-coronavirus numbers.

The South Asian region, and India in particular, will continue to be an important partner and education market for Victoria; providing opportunities for joint research, joint degrees, student exchanges and articulation pathways, which have been particularly attractive during this time. There are growing opportunities in Education Technology (Edtech) and there is a need to explore innovative ways of setting up productive collaborations between our institutions and institutions in the region.

The Victorian Government Trade and Investment (VGTI) office in India continues to provide in-market support for Victorian education and training providers. Activities in the coming year will focus on continuing to deepen Edtech engagement, developing VET collaborations and exploring newer models such as the virtual counsellors' workshops.

2019/20 in review

Until Feb 2020, Victoria experienced strong enrolment growth from South Asia, particularly from India (increased by 21 per cent with an additional 9,200 enrolments), Sri Lanka (increased by 12 per cent with an additional 900 enrolments) and Nepal (increased by 17 per cent with an additional 1,300 enrolments). While, enrolments in that range will be challenging to achieve in 2020/21, South Asia will continue to be a major education market for Victoria.

South Asia's current market status and coronavirus response

Restrictions began to ease across most of South Asia in June 2020, following extensive lockdown measure that governments put in place in March 2020. Like much of the world, the region is heavily affected by coronavirus with the number of positive cases continuing to rise.

Schools and colleges in India continue to be shut until the end of August 2020. There are concerns around what measures will need to be put in place to safely reopen schools. Exams for higher years have been postponed in India, which is likely to impact the intakes for 2020-21 period.

As of July 2020, India continues to battle coronavirus. States like Maharashtra, Delhi and Tamil Nadu are among the most affected areas in India. India now has the third largest number of recorded cases in the world, behind the United States and Brazil, but with much lower cases per capita and a low death toll at less than 3 per cent of cases (WHO).

As for schools and colleges across Nepal and Sri Lanka, authorities have decided to reopen them at different times in July 2020. The Nepalese Government has stopped issuing no-objection certificates for studying abroad.

Economic Impact

The coronavirus pandemic and the multi-phased lockdown imposed to curb its spread has had a large negative impact on South Asian economies. Economies such as Sri Lanka, Nepal and India, whose economic backbones are made up of micro, small, and medium-sized enterprises (MSMEs), are particularly vulnerable to extended periods of lockdown.

The World Bank's South Asia Economic Focus Report states that regional growth will drop to a range between 1.8 and 2.8 per cent in 2020, down from 6.3 per cent projected six months ago. India's growth in the fourth quarter of the fiscal year 2020 went down to 3.1 per cent.

The Indian Government is trying to provide stimulus to the economy. In May 2020, the Prime Minister of India announced a stimulus package called Atmanirbhar Bharat Abhiyaan (self-reliant India campaign) of INR 20 lakh crores (AUD\$ 383 billion) or 10 per cent of India's GDP.

International Education Impact and Trends

Decreased global mobility of students

International student recruitment is likely to be impacted severely. We anticipate student mobility from the region will take two to three years to fully recover to pre-coronavirus numbers.

[Quacquarelli Symonds \(QS\) survey](#) has confirmed that the 'COVID-19 pandemic has impacted decisions of over 48 per cent Indian students who wanted to study abroad'. Students have cited reason of low return on investments, given studying abroad is an expensive decision. This coupled with reduced chances of employability in the post coronavirus world have made students rethink their decisions.

Although, the survey notes that demand for STEM courses might not be as impacted as non-STEM courses.

We are seeing that recruitment continues via virtual events in an effort to keep universities and prospective students connected.

Push for Online Education

During this period there has been a push for online education. Private schools that have means and resources to move online have been able to manage the impact on teaching and learning.

We have seen that higher education institutions in India are not fully geared to implement online learning. In fact, the Government's approach to online learning is rather cautious (there are concerns around quality and limited mechanisms for oversight and regulation). However, in May 2020, the Indian government announced that the top 100 institutions in India's National Institutional Ranking Framework (NIRF) can offer fully online degrees without any approvals.

Opportunities

Online education is increasing in demand in India and growing rapidly. India is expected to grow from the current base of 2 million users to close to 9.5 million users by 2021 as per a KPMG report. The coronavirus restrictions have no doubt accelerated the speed. Courses in management and technology have always remained the top preferences for Indian students (Online MBA popularity is on the rise). However, the QS survey in May 2020 revealed that students pursuing the course online expect a highly discounted fee.

India's new draft education policy also outlines the importance of online learning and has recommended that India explore recognizing and awarding credit for online programs offered by foreign institutions. The policy proposes that some foreign institutions may be invited to operate in India – something that has been long resisted in the country.

Institutions operating in this space are reliant on industry endorsements and successful testimonials for student acquisition. Their business models are continuously evolving; including value added services such as internships, live projects on regular courses are all helping the growth of this space.

Edtech opportunities continue to grow

Many Edtech companies are witnessing growth in users and are also offering free services to the education sector in India. Companies like Great Learning have witnessed 100 per cent growth the one month alone. In March, Coursera in India has witnessed a daily growth of 54 per cent.

The VGTI has been connecting with schools and colleges in-market to talk about innovations in education technology. Technology that can ease the process of education delivery. Victoria has a vibrant Edtech sector that can provide effective solutions. We are seeing a positive response. We believe this is the time to create mutually winning relationships.

Focus in 2020/21

To help capture these opportunities, the VGTI will focus on the following activities in 2020/21:

- a) Developing a Transnational Education (TNE) partner document with senior management and decision makers connect at top 100 NIRF institutions and select Sri Lanka based institutions. The partner document will include specific information on faculty strengths, profile on their industry connections, foreign partnerships etc. The document should be available by Oct 2020.
- b) Organising a Virtual Counsellors Workshop, which we would like to schedule in August or September. We are connected to close to 200 schools (both in India and Sri Lanka) and we are hoping to bring them together for a workshop to enhance engagement with Victorian sector.
- c) In the VET sector, continuing to scope state government capacity building projects.
- d) Connecting suppliers to demand for short term study tours both from India and Sri Lanka and building a pipeline of opportunities for when it is safe to resume travel
- e) In Edtech, working with the Indian Didactics Association (IDA) to run a campaign and pilot project that offers opportunity for select Victorian Edtech companies to pilot their products in two schools in the market.

Major policy highlights from South Asia

India

1. India introduced the Draft National Education Policy for consultation in October 2019 – the first comprehensive policy proposal on education in the country since 1986. Major highlights include:
 - a) Doubling the spend on education from 3 per cent of GDP to 6 per cent.
 - b) Dismantling the current higher education system of 850 universities and 40,000 colleges to creating a smaller number of institutions – between 10,000 to 15,000. All institutions in the new system would have the capacity to grant degrees and will be based on tier system
 - c) Improving Internationalization of the higher education system
 - d) Overturn regulation that prevents foreign universities from establishing campuses in India and invite world's top 200 universities to develop a campus in the country. It also encourages Indian institutions to consider opening campuses abroad.
2. Emphasis on Teacher training – The Government of India launched four new initiatives to improve the teacher training in the country and also emphasized on online professional development programs for teachers
3. Institutes of Eminence project – Government of India has issued orders for five more public and five more private universities as Institutes of Eminence. Being an institute of eminence means additional funding up to ₹1000 Cr (AUD \$200million); academic and administrative autonomy; academic collaborations with foreign higher educational institutions (in top 500) exempt from government approvals; and freedom to recruit faculty from outside India. The ten announced join the six others announced earlier in 2019.

4. A recent Government report is expecting the education market to expand by 5-6 per cent in FY21, driven mainly by growing enrolments in higher education
5. Human Resource Development (HRD) Ministry is now working on setting up a single higher education regulator with three other bodies housed in it.
6. Studying abroad just got more taxing. A Budget provision levies a tax on overseas remittance above ₹7 lakh (AUD\$14,000 approx.) in a financial year
7. Enhancing Research ecosystem in the country through introduction of new research parks and initiatives such as IMPRINT, UAY, SPARC, PMRF (Please refer to University Grants Commission website for further information)
8. Likely setting up an education hub to attract foreign universities in India via a special education zone. It is envisaged that foreign institutes can set up campus without being subject to red tape and overregulation. Note this is at discussion stage only
9. Indian Budget 2020 focuses on increasing employability and creating new institutions. Highlights include:
 - a) ECBs (external commercial borrowing) to fund education infrastructure - While the government has allowed 100 per cent FDI in education sector a few years ago, the use of ECBs to fund education infrastructure is a newly proposed measure
 - b) Building new institutions (National Police University, National Forensic University)
 - c) Online education has been given a thrust with the big step of allowing 100 per cent online degree courses in top 100 NIRF institutions
 - d) Skill development has not been given much attention in this Budget, with a mere allocation of just Rs 3,000 crore (roughly AUD \$65million)
 - e) Further strengthening of Study in India scheme with more than doubling the budget. Along with new allocations for developing world-class institutions, there is a clear signal of the will to make India a hub for higher education
 - f) Government of India has launched various scholarship schemes for eligible Indian Students for pursuing higher studies abroad (Masters and PhD) and Overseas Doctoral Fellowship Programme: Fellowship of US \$24,000 per annum is provided for a period of 4 year to selected fellows for undertaking doctoral studies and one time return airfare

Pakistan

1. Pakistan is looking at a uniform curriculum from 2021 - Government has proposed a uniform syllabus till matriculation countrywide including madrassahs from the academic year 2021, overseen by National Curriculum Council (NCC)

Sri Lanka

1. Introduced the 'myfuture' initiative focusing on imparting high-quality tertiary level programs
2. Sri Lanka is undertaking an attempt to upgrade all their schoolteachers and have enforced a rule that all the teachers must be graduates by 2027 - Seventy percent of

teachers are not graduates, and furthermore, 25% of primary teachers have no formal training. Hence all 19 national colleges of education in the country would be elevated into degree-awarding institutions to achieve transformation of the entire teacher cadre in the country into graduate teachers.

3. Sri Lankan government has set up a 'Task Force for Education' to propose and execute educational reforms. It will be responsible for designing programmes, identifying strategies of implementation, inter-institutional coordination, and regulating and monitoring educational reforms.

Nepal

1. Released its National Education Policy-2019, which focussed on compulsory and free basic education for all
2. Increased investment in Science and Technology education with the establishment of National science School and greater emphasis on teacher education.
3. Nepal Ministry of Labour has announced the aspirants for foreign jobs should undergo a three-month-long training before moving abroad for jobs
4. A review of the past eight years shows that Nepal students travelling abroad for higher education has increased seven times. According to the Nepal Education, Science and Technology Ministry, more than 300,000 students are studying in various world universities.

Bangladesh

1. The country is focussing its efforts on revamping its primary school education.

Contacts and further information

For further information on the region and to discuss your strategies, please contact Annie Santhana, South Asia Director of Education, on annie.santhana@global.vic.gov.au or Anita Kumari, Education Services Manager, on anita.kumari@global.vic.gov.au.