

International Education Market Insight: South Asia

October 2020

Summary

- India's new National Education Policy (NEP) was released in July 2020. NEP aims to transform education keeping the learner at the centre.
- Internationalisation of education has gained importance in the new NEP. Policy proposes building strong partnerships with international universities, including exchange and twinning programmes.
- India has expanded the scope of the Equalisation Levy on specific cross-border services including online delivery.
- Upcoming activities for Global Victoria include a Virtual Counsellor Workshop series: scheduled from October 2020 to January 2021, targeting school academic guidance counsellors in India and Sri Lanka.

Recent successes for Victoria

The Victorian Government Trade and Investment (VGTI) office in South Asia has partnered with the India Didactic Association (IDA) to promote Victorian edtech companies to IDA's extensive school membership base and to secure edtech trials with schools in India. Nine Victorian edtech companies have collectively secured 18 trials.

Leaders in India's edtech sector, Upgrad and Times Education, shared their insights on the sector at the Melbourne Edtech Summit in September 2020.

Continuing to support close relationships with education agents in India, Victoria's Commissioner to South Asia joined the Australian High Commission at the Association of Australian Education Representatives in India Virtual Convention in August 2020. The VGTI also facilitated speaking opportunities for Victorian providers the CII Education Summit held virtually in September 2020.

Coronavirus - Status update and economic implications

As much of the world does, South Asia continues to grapple with the challenges of coronavirus. Case numbers in India continue to increase and it now has the second largest number of cases globally. The Indian Government is trying to balance the health and economic response with different levels of restriction in each states and cities across the country.

Schools and colleges continue to operate in online mode in most of the metropolitan and tier two cities, however, schools across rural India are shut with no access to the internet or online learning. It is anticipated that the government will consider re-opening colleges and universities this month, however, dates are yet to be confirmed.

India's GDP shrank 23.9 per cent in the three months to June from a year earlier, the Statistics Ministry reported on 31 August 2020. This is the first instance of an economic contraction for the country in at least four decades.

Sri Lanka is currently reporting a moderate number of coronavirus cases. The country was under lock down until July 2020. Now schools and colleges have reopened with strict health guidelines in place. The pandemic and restrictions have severely dented Sri Lanka's economy, causing a steep fall in the earnings from tourism, remittances and outflow of foreign investment.

In Nepal daily cases have significantly increased last month. The self-imposed lockdown affected almost all macroeconomic indicators, which have either slowed down or become negative. It has severely affected the household economy as well as the business firms.

National Education Policy (NEP) 2020

The NEP 2020 aims to transform education, keeping the learner at the centre. The new policy has numerous takeaways for education sector stakeholders. The policy focusses on the holistic development of students by ensuring access, relevance, equity, quality and strong foundational learning. The policy is the biggest transformational change to the Indian education system in 34 years.

The new policy aims to establish India as a global knowledge hub by imparting 21st century skills and multidisciplinary education, while continuing to be deeply rooted in Indian values and ethos. The NEP outlines an ambitious task of nearly doubling the gross enrolment ratio in higher education from 26.3 per cent to 50 per cent by 2035 while improving the quality of higher education institutions and positioning India as a global education hub. Currently, nearly 30 per cent of students in India drop out after grade 10.

The focus is on providing a flexible curriculum through an interdisciplinary approach, creating multiple exit points in what would be a four-year undergraduate program, catalysing research, improving faculty support and encouraging internationalisation.

Another key impact of NEP is that all teachers will be professionally trained or certified by 2030. Currently in India, 13 per cent of secondary school teachers are not professionally qualified.

One of the paradigm shifts will be the creation of a single regulator for higher education (excluding medical and legal education). This is likely to be called the Higher Education Commission of India (HECI), which will include the key functions of accreditation, funding and academic standard setting. The HECI will likely have four independent verticals: the National Higher Education Regulatory Council (NHERC) for regulation; the General Education Council (GEC) for standard setting; the Higher Education Grants Council (HEGC) for funding; and the National Accreditation Council (NAC) for accreditation.

The proposed establishment of the National Research Foundation (NRF) will foster a strong research culture, build research capacity and widen research funding. The setup of the NRF

has reconfirmed the government's intention to draw engagement from the international research community through a 'Research in India' focus.

Important potential outcomes of the NEP for international partners are:

- higher performing Indian universities will be encouraged to set up campuses in other countries
- a greater attraction of international academia to participate in the Indian education system
- selected universities, such those from the top 100 universities in the world, will be facilitated to operate in India.

Currently, there is some ambiguity around recognition of foreign online degrees in India. However, the NEP is likely to facilitate a credits-based system and online learning.

In other developments, India is adopting a new 5+3+3+4 curriculum structure as opposed to the existing 10+2 system. Board examinations will be low stakes and based on knowledge application and there is move away from the traditional, rote-learning exam success model, to testing core concepts and application of knowledge. Policy is becoming progressive in its thinking but the real work will be in the implementation.

Equalisation levy expansion and implications for online service delivery

The Indian Government has expanded the scope of its Equalisation Levy to include taxes on online services. This announcement is significant, as most organisations are moving to online models of delivery due to the coronavirus pandemic, and international education providers need to be aware of its implications.

The Indian Government applies an Equalisation Levy of 6 per cent levy on specific cross-border services such as online advertisements.

From 1 April 2020, the Indian Government expanded the scope of the Equalisation Levy to cover e-commerce supply or services at 2 per cent. Amendments to the Finance Act 2020 state that the levy now covers the sale of goods or provision of services by an e-commerce operator, including online programs and courses. It is applicable to Indian and foreign e-commerce operators. There are exceptions for foreign entities that have a permanent establishment in India directly connected with the e-commerce supply or service or when gross receipts from e-commerce are less than INR 20 million, however, you will need to seek specialist advice on how this may apply to your business.

This is general informational only and we recommend seeking independent tax advice.

Opportunities

[Virtual School Counsellor Workshop](#)

The VGTI is scheduling a workshop series from October 2020 to January 2021, targeting school academic guidance counsellors in India and Sri Lanka. More than 100 counsellors will be identified for participation at this series. We are calling this a professional development (or capacity building) workshop series to showcase Victorian education products, services and programs (short term) to school and college counsellors.

Online Learning

The total addressable market for online education in the higher education and lifelong learning segment is estimated to grow to between \$4-\$6 billion by 2025.

There is interest from some of the popular higher learning platforms from India to explore delivery of a few niche programs with Victorian universities.

Further information and contacts

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