INTELLECTUAL INVESTMENT IN EDUCATION: CASE OF POLAND AND INDIA PERSPECTIVE

Abstract

This paper seeks to find the possibility to improve relations between Poland and India based on intellectual investment through education. As a particular case, the paper will analyse human capital and its effects to the education system in Poland and India. What are the possible ways to increase relations between these two entities and how education can play a wider role for the shaping a new model of cooperation? To answer this question, the research has been conducted in both the countries with most prestigious institutions/universities to review the concept of educational cooperation strategies and the role of management/institutions towards intellectual investment in higher education.

Key words: intellectual capital, education, human capital, competitive advantage, investment.

JEL codes: I2

Introduction

Intellectual capital is known as collective knowledge with information and experience as intangible assets to produce/create wealth. It has been noticed that over two decades the interest for managing intangible assets, including intellectual capital, has grown, although the roots of intellectual capital go far back in the history. According to Schultz (mentioned in the 20th century), “the investment in human capital is crucial for the economic development and the education has a key contribution” (Schultz 1961, pp. 1-17). It is considered that investment in human capital means using financial resources so that individuals get knowledge, professional qualifications and so on, with the help of which they’ll be able to increase their contribution to the production of the community, respectively to their possible revenue. So human capital and knowledge is interconnected to gain the capital flow.

Today’s world economy is well connected with globalisation effects, which has changed the traditional game of economic development, and intellectual capital has become an important asset and its assessment and management
has turned to priority for the knowledge economy (Mercier-Laurent 2014, pp. 253-257).

In case of India and Poland, it has been seen that after 2004 Poland became one of the attractive destinations for Indian investors as well as Polish investors started to look forward to find space for the Indian market. But this newly increased interest in the area of business ties seems to be very slow in effects, due to lack of knowledge, information and experience. Although relations between India and Poland are very old, they had begun prior to 15th century and diplomatic relations were established in 1954 (Kumar 2012, pp. 59-72). Even after 60 years of the established diplomatic relations there is lack of education and business cooperation between these two entities. Less than 210 Indian students are studying in all Polish universities and in a similar manner less than 50 Polish students are studying in Indian universities. We are not able to find all together 60 companies (as FDI) from both countries. Thus, certainly there is a gap between these two entities that is affecting business ties between them. This research paper is about to find out the reasons for this gap, which can be seen very easily, and how to fulfil this gap to improve the relations between India and Poland.

Research sources are based on the data received from officials’ participation under conducted research interviews from universities/institutes/companies. It uses small samples, 19 questionnaires filled by Polish universities and 19 by Indian universities in order to identify the educational as well as institutional/organisational approach.

**Education as boon of capital flow and business cooperation**

In recent years, education has become the most advanced form of investment to increase the capital flow of any organisation. In general, if the profit rate is more productive and higher, investment is considered as more advanced. It gives quick and stable cash flow by using a large number of human resources. Education is not only profitable business but in the social point of view it is the best novel business and highly respected in social life.

Investment in education is coming with two different points of views: *quantitative and qualitative* (Loredana-Ioana 2010, pp. 279-288).
Figure 1.

1) **Quantitative point of view** - the expenses for education are higher than the costs, because they comprise both the expenses destined to insuring the conditions for a good functioning of education, as well as the expenses for education made for the education action.

2) **Qualitative point of view** - the expenses for education are represented by the funds assigned to this action, whereas the cost of education represents the expenses made specifically for education, diminished by the revenues made by the education institutions. In other words, expenses represent the funds assigned to education, and costs represent the specific consumption of these funds.

Both views mentioned above are very important to run an institution or university as well as to maintain their quality of education. It has been seen that most of the private universities are struggling to survive due to less numbers of students getting admissions. If they don’t have enough number of students, it is hard to maintain the management and quality of education and run the university. And most of these private universities are on the way to shut down.

At the same time, few private universities are able to understand the changing environment and able to change their strategies – how and where to get well qualified number of students, who can pay full tuition fee as well as maintain the high quality of education.

But with Polish public universities, situations are different. University’s officials are not able to understand the problem Poland is facing or in coming years they’ll face due to demography problems. They are dependent on public funds so strategies are also more complicated with less openness without understanding that students don’t need to just get degrees but they need to get well-paid jobs after completion of their programmes. Thus, the study system supposed to base on more corporate/practical oriented, which can give confidence to the students as well as job guarantees.
To understand such a complex, which creates a gap between institutions, students and nations, this research has been conducted. From India and Poland, the author conducted research questionnaire with 38 universities including public and private sectors. Only 5 areas covering questions were asked about the cooperation with India/Poland, how many Polish/Indian students are studying at your university? Are you able to fulfil all admissions for current academic years? What is the standard of incoming students from India/Poland? Do you have any special support/mechanism/strategies to gain number of qualified Indian student? What is the method to admit students for regular study? Responses were received from the officials from Poland and India, which is going to be discussed in this paper.

**Figure 2.**

As shown in Figure 2, the total numbers of students admitted from India to Polish universities are 209 and Polish students to Indian universities are 10 only (http://www.naukawpolsce.pap.pl 2015).
In the above-shown figure, measurement is 200=100% as the full capacity.
- Public universities dominate student’s admissions in Poland over private universities. But in India, private universities are more selected by Polish students than public universities.
- Admissions are completed at public universities in Poland but private universities are not able to fulfil all admissions due to less number of applicants.
- By receiving qualified students, percentage at Polish public universities is 60-80%, when private universities receive 20-80%. In case of India, the standard of students are 100% due to the selection process.
- No specific plans/strategies implemented by public or private universities from Poland especially for the Indian market; few private universities are working effectively based on individual capacity.
- No specific methods for selection for qualified students except online registration and interviews at Polish public universities. In case of Polish private universities, there not any criteria to select students; it is based on the ‘first come first serve’ basis. But in the case of Indian public and private universities, both types select students through their common entrance test conducted by govt. agencies/individual universities.

**Interested Polish universities to get students from India and start cooperation with the Indian market**

Author has conducted individual interviews with Owner/Rector/Vice-Rector/Vice-Chancellors to understand the strategies for India-Poland market. 99 per cent of Polish universities are willing to cooperate with the Indian
market and planning to bring syllabus/plans for English studies where more foreign students can participate.

**Public funded universities:**
1. University of Warsaw, Warsaw.
2. Warsaw University of Technology, Warsaw.
3. Warsaw University of Technology, Faculty of Power and Aeronautical Engineering, Warsaw.
4. Warsaw University of Life Sciences, SGGW, Warsaw.
5. Warsaw University of Life Sciences, SGGW: Faculty of Civil Engineering, Faculty of Engineering and Environmental Science, Faculty of Horticulture and Landscape Architecture, Warsaw.
7. Wrocław University of Economics, Wrocław.
9. University of Warsaw, Faculty of Management, Warsaw, Poland.
10. Warsaw School of Economics, Warsaw, Poland.

**Private universities:**
12. Higher Engineering School of Industrial Safety and Work Organisation in Radom (WISBiOP w Radomiu), Radom.
14. Lazarski University, Warsaw.
15. Warsaw Management University, Warsaw.
17. University of Social Sciences and Humanities (SWPS), Warsaw.
20. Kozminski University, Warsaw.

**Interested Indian universities to cooperate with the Polish market as well as Polish universities**

**Public universities**
1. Chankya National Law University, Patna.
2. A. P. Law University, Kanyakumari, Tamil Nadu.
3. Dr Ram Manohar Lohia National Law University, Lucknow.
4. University of Pune, Pune.
5. Indian Institute of Technology, Madras.
6. Indian Institute of Technology, Delhi.
7. Delhi University, New Delhi.
8. Lalit Narayan Mithila University, Darbhanga.
9. Dr B. R. Ambedkar College of Law, Andhra University, Visakhapatnam.
10. Women’s College, Patna.

Private universities/institutes
14. Noorul Islam University, Trivandrum.
15. ASM Group of Institutes, Pune.
17. Vidya Pratishthan’s Institute of Information Technology (VIIT),
    Baramati, Pune.
18. O. P. Jindal Global University, Sonipat, Haryana.

Higher secondary schools
2. Shanti Gyan International School, Goyla (Dwarka), New Delhi.

Possible area of cooperation between Indian and Polish universities

There are many possible ways to cooperate with each other but the author advises that the following areas are identified and partners are ready to cooperate so the effect of this cooperation will be at large scale based on human capital as intellectual capital:

Figure 4.
Academic co-operation

Through academic cooperation, Polish universities and scholars will be able to introduce themselves to the Indian market through various means such as joint research studies programmes, joint conferences, joint seminars, joint workshops, joint publications and projects as well as training for students, scholars and corporates in the broad area of academic development. Student exchanges and faculty exchange based on signed MOU between partner universities.

Non-academic cooperation

Non-academic cooperation can fulfil the desire of all Polish universities, private and public, to choose appropriate Indian academic partners and to establish new forms of cooperation through which they can get numbers of qualified students from India. As Polish Embassy in New Delhi is responsible for the visa process for all 6 countries including India, Nepal, Sri Lanka, Bangladesh, Maldives, and Burma, the cooperation can bring huge impact to the Polish university to gain human capital. By paying full tuition fee to the Polish universities, students from the Indian region supposed to be very happy due to low tuition fees in Polish universities in compare to the UK, USA, Australia, and Canada. And the university from Poland can get enough number of well-qualified students and capital to maintain their quality of education and organisation. The proposed cooperation can be established through the following ways:

- Direct Students Admission to Polish Partner University (DSAPU);
- Administrative Collaborations with Indian Universities;
- Organising international conferences to bring together scholars and businesses from India to Poland and from Poland to India, and to support the Partner University to achieve their interest in the Indian market.

Corporate/MNCs co-operation

This programme is to establish a new relationship between academia and corporates. Under Corporate Programme Partner University it will be able to access internships and campus jobs for their students, scholarships supported by MNCs, and training programmes for students and scholars. Each and every semester students will be able to join multinational companies for their internship during the semester break that will be supportive to find his/her future employer. Such programmes can also guarantee students to get jobs under campus selection process conducted by partner companies.
Factors dominating the gap between India and Poland

I. Limited knowledge: The knowledge of India in Poland, and Poland in India is quite limited. Although India has gained significant identity among the Polish society (academia & corporate) but Poland is not popular among Indians.

II. No marketing budgets for India: Polish universities are more concentrated on the Polish market and Eastern bloc (Ukraine, Belarus, Russia, Uzbekistan, Kazakhstan, etc.). They are not ready to expand their marketing budget for a country like India and China.

III. Stereotype thinking and planning for the Indian market: all Polish universities are willing to get number of students from India but no one is willing to invest for this human capital. Each universities are willing to sign an agreement with Indian consultant on the basis of provision system, which explains that if any students are recruited through them and students successfully starting their semester then only university is going to pay provision fee 15-30% (as settled in agreement) to the consultant from the received tuition fee. As tuition fees are very low to the Polish universities (2000-4000 euros), the provision fee received by education consultant is very low and it is not increasing interest of Indian consultant to send students to Polish universities. They prefer to send students to the UK, USA, Australia, and Canada, where tuition fees are approx. $15000-30000 and even received 15-30% tuition fee is enough to do marketing and work for the associated partner universities. Polish universities need to change their strategies towards the Indian market and think beyond the stereotype market planning to gain human capital. Latest, many programmes been launched by Indo-European Education Foundation towards Indo-Poland cooperation which can be beneficial for Polish universities to reach the Indian market and get number of well qualified through various programmes.

IV. Less career oriented programmes: most of the Polish public universities are depending on either public funds or projects funded by the European Union. Thus these universities are not in stress to provide a career oriented programmes that can increase interest of students as well as ensure future jobs for passing students. It should be based on a interlinked model with corporate and education.

V. Dominate Polish language study courses: very few Polish public and private universities are offering English study programmes. All though they are planning to bring new syllabus in the English study programme but still such opportunities are very limited. If there are not English study programmes how any foreigners, non-Polish speaker can join their study programmes? These universities need to act urgently and quickly to be open
for foreign students who can bring them financial as well as human capital. Especially when Poland is facing demographic problems.

VI. Dominate oriental study programmes: It has been seen that at majority in Polish universities, classical Indian studies are predominant than contemporary study and Real India of 21st Century. Despite of significant number of university’s departments dealing with oriental studies, there is very poor level of educational and business cooperation between Poland and India. The Polish and Indian societies increasingly look forward towards various sectors such as social, cultural, legal, educational, and corporates. Thus programmes supposed to be based on demand of today’s generation.

VII. Lack of research/support centres: In Central and Eastern Europe, there is no research centre concerning modern India, which can support and give strength to Indo-Polish cooperation in various sectors: education, socio-economic, corporate relations. Various companies, institutes, organisations (governmental and non-governmental), universities, and individuals will require professional support to the understanding of complexities of Indian business as well as Polish approach (Kumar 2013, pp. 164-174).

Opinion about Indian students in Poland as human capital

Figure 5.

Sources: own study based on survey conducted at 50 universities.

The survey asks about the student’s performance during their study programmes and financial supports. Findings are as follows:
- Compare to foreign students joining Polish universities, Indian students choosing professional courses are well prepared and coming from good educational background.
- After joins the university to Poland, there is less than 1 per cent chance to dropdown university programmes. In case of Polish students, it is more than 1 per cent.
- Language skills in English as the medium of instructions are much higher among Indian students than Polish students.
- Students coming from India are more active in class, complete projects in time, and 99% of students join Polish universities on the basis of full tuition fee. But for Polish students joining Indian universities, it is totally opposite - less active in class due to a different education system, hard work and time consuming to complete the assigned projects, and 99% of Polish students are only able to join Indian universities when they receive either 100% scholarships or partial financial support.
- As Indian universities and study system are more competitive, students joining Polish universities from India are more demanding, ready to join internship programmes, and eager to join placement cells under the campus selection process and put huge efforts to join firms to start their jobs. In case of Polish students, less demanding and less eagerness towards career oriented programmes, most of Polish students are not clear about their future plans, they don't know what they want to be after completion of degree/diploma programmes.

**Conclusion**

The purpose of this research was to identify the barriers effecting educational cooperation between Poland and India. The author used the small samples and B2B meeting with owners and students, so the result should be generalised. This paper also identified several areas of cooperation in intellectual capital through various means. By realising the fact that education is the only way to establish long-term cooperation between nations and generate long-term profits for any organisation or companies. Investment in education for human capital towards intellectual capital has been recognised worldwide, as a growth and development of our society is built on them.

Thus, it is recommended to the Indo-Polish institutions/organisations and especially universities to think beyond the traditional approach (stereotype) and increase the area of cooperation based on interlinked model of cooperation-education-human capital-intellectual capital.
References


Streszczenie

W artykule poszukuje się możliwości poprawy relacji między Polską a Indiami na podstawie inwestowania w potencjał intelektualny przez edukację. W charakterze konkretnego studium przypadku w artykule dokonano analizy kapitału ludzkiego i jego efektów dla systemu edukacji w Polsce i Indiach. Jakie są możliwe sposoby zwiększenia relacji między tymi dwoma podmiotami i jak edukacja może odegrać większą rolę w kształtowaniu nowego modelu współpracy? Aby odpowiedzieć na to pytanie, przeprowadzono badania w obu krajach w najbardziej prestiżowych instytucjach/uczelniach w celu oceny konceptacji strategii współpracy edukacyjnej oraz roli kierownictwa/instytucji wobec inwestowania w potencjał intelektualny w szkolnictwie wyższym.

Słowa kluczowe: kapitał intelektualny, edukacja, kapitał ludzki, przewaga konkurencyjna, inwestycja.

Kody JEL: 12

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