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## Opportunities and Challenges in Economic Transformation and Medical Affairs: Poland-India Perspective

### *ABSTRACT*

*In a pace of changing global scenario entire system of a nation is changing. Governments are convinced towards economic transformation and bringing new policies to assist foreign investors in order to increase inflows of foreign direct investment (FDI). In past years, world experienced FDI among developed to developed economies or developed to developing economies, but new trend has emerged where FDI flow goes between emerging to emerging economies.*

*When global FDI inflows falls by 2 percent, trade between developed to emerging economies are increasing by 5 per cent. Many emerging economies find their areas of cooperation and increase trade relations. Similar trend has been emerged between India and Poland. Both emerging economies are constantly improving trade relations by identifying many new sectors such as mining, education, medical, pharmaceuticals, electronics, films, etc. Among many sectors, medical sector may play a wider role for both the countries for establishment of a new trade interest based on supply and demand model of cooperation.*

*Poland is know for well established educational institutions and medical treatment. Well equipped machinery, qualified doctors and insurance policies are the life savers for millions. But other side India with 1.3 billion population lacking number of doctors and technologies for proper treatment- hundreds of patients are loosing their life and thousand are hoping to receive better treatment. Therefore access and treatment choices will ultimately require a solid understanding and convincing demonstration of medical and economic value. FDI in medical sector should be recognised as most demanded sector for cooperation between India and Poland. Potential cooperation will protect thousands of life in India by producing hundreds of Indian doctors in Poland through well known Polish medical universities or through FDI in Medical sectors in India to produce Indian doctors in India. High technology exports may also create an opportunity to increase trade flow by medical equipment's exports and imports.*

**Keywords:** India, Poland, Economy, Medicine, Opportunity

## 1. Introduction

Historically, Poland as well as India has been a challenging destination for foreign investors, the interest has begun 25 years ago once Poland brings massive economic and political transformations, and India adopted open economic policy- by giving space for foreign investors. Very Painful reforms from state control economy to privatised and market-based economy towards accession to the European Union in 2004 confirmed the growth path of Poland's efforts towards most advanced economies in the European Union. Today Poland is the eight-largest economy in the European Union. Poland is identified as one of the most favourable destination for FDI among European member states in Central-Eastern Europe as well as market for dynamic exports, internal demand, high productivity, and stable banking system.

Comparing India, with Prime Minister- Narendra Modi's political reforms and development policies are unifying Indian market through new tax reform (GST), encouraging investment, promoting exports and strengthening banking and telecom sectors. India, with 1.3 billion people, is globally the fastest-growing G-20 economy. In the fiscal year 2016/17, its economic growth rate reached 7.1 percent, which is high compared to the global economy, which grew by around 3.0 percent. India is the world's fourth-largest economy, has globally the largest and youngest working-age population<sup>1</sup>, and is expected to achieve a high growth rate of 7.3 percent in 2017/18 and of 7.7 percent in 2018/19<sup>2</sup>.

In such scenario- India and Poland is well connected with historical facts since centuries, but in the recent years both entities are shown their interest to develop not only cultural and diplomatic relations but devoted to strengthen economic ties. Last year, in 2016 bilateral trade between India and Poland has grown by 25%. In Central Eastern Europe, Poland become India's largest trade partner and export destination by crossing US\$ 2.7 billion (Indian exports- US\$ 2.1 billion; Indian imports- 0.66 billion). Indian exports presently account for 1% of global Polish imports. And both countries have, in June 2015, set a target to double their bilateral trade by the year 2018<sup>3</sup>.

Comparing growth, changing regulations and need of both the economies author has identified a potential area of cooperation where India and Poland can develop a new partnership in the area of Medical cooperation. Thus, this research papers is identifying the availability of

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<sup>1</sup>Around half of India's population is under 25 years old.

<sup>2</sup>[https://www.s-ge.com/sites/default/files/cserver/publication/free/economic-report\\_-india-eda-2017-07.pdf](https://www.s-ge.com/sites/default/files/cserver/publication/free/economic-report_-india-eda-2017-07.pdf)

<sup>3</sup>[http://www.indianembassywarsaw.in/eoi.php?id=Pol\\_relata](http://www.indianembassywarsaw.in/eoi.php?id=Pol_relata)

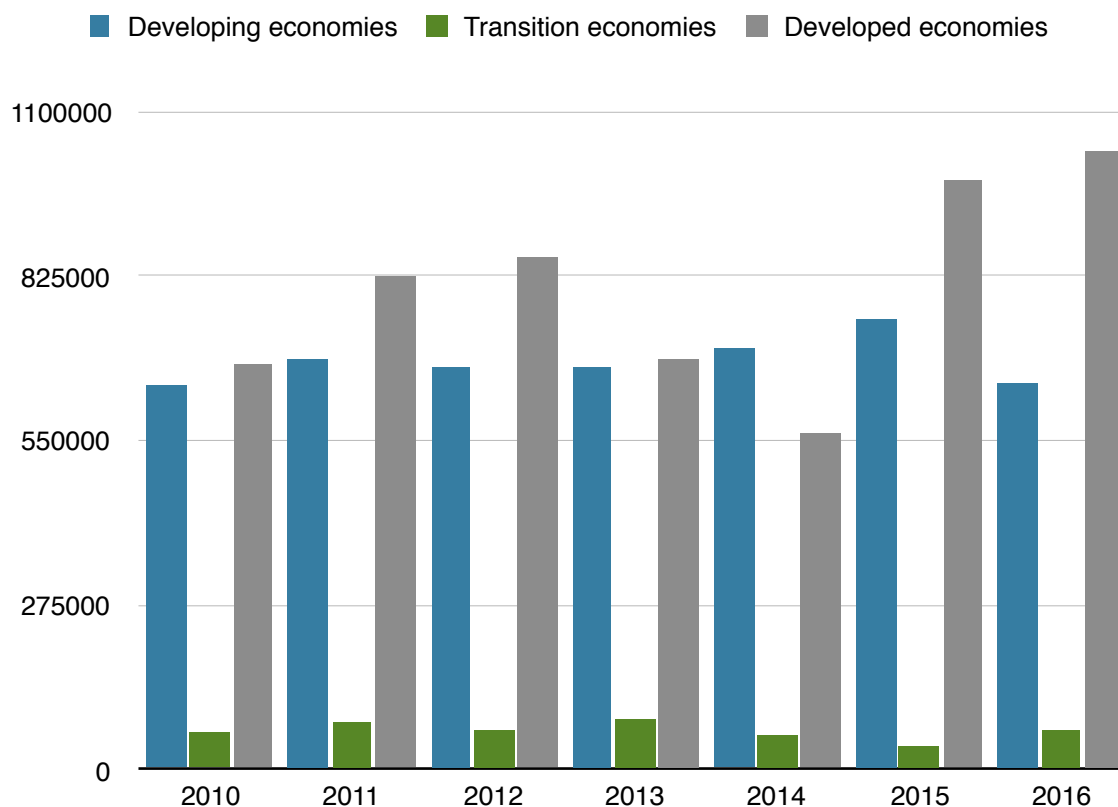
resources, demands and possible area of cooperation in medical sector. Author is presenting possible solutions in the interest of both the countries- how to improve trade flows and assist large number of people from both societies by fulfilling their demands.

## 2. Foreign Direct Investment Inflows in General

It has been noticed that the trend of global Foreign Direct Investment (FDI) is changing and recorded by 2 per cent low in 2016. Many developing economies as well as developed European economies recorded very low inflows, in contrast to the highest growth (up to 5 per cent) to several American, African, South- East Asian, and north-west European countries.

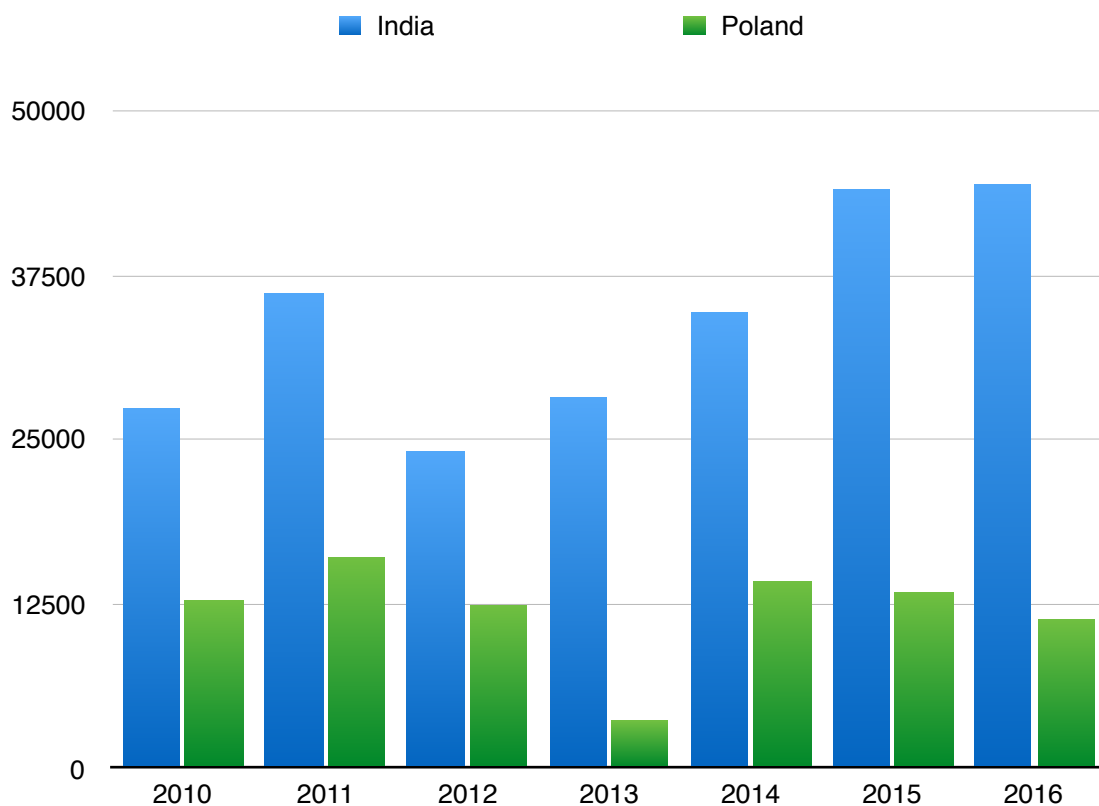
In 2016, developing economies attracted one third of global FDI inflows. This share had been over 50 per cent in 2014 but has shrunk over the last two years. In 2016, one quarter of global FDI was directed to developing economies in Asia and Oceania and less than 10 per cent to developing economies in Africa and America, each. Looking at the origins of global FDI, around 70 per cent were initiated by investors from developed economies. Out of these, 35 per cent originated from Europe and 25 per cent from Northern America.

### 2.1. *Foreign Direct Investment inflows from 2010-2016- a comparison graph<sup>4</sup>*



<sup>4</sup><http://unctadstat.unctad.org/wds/TableViewer/tableView.aspx>

## 2.2. *Inflows to India and Poland*<sup>5</sup>



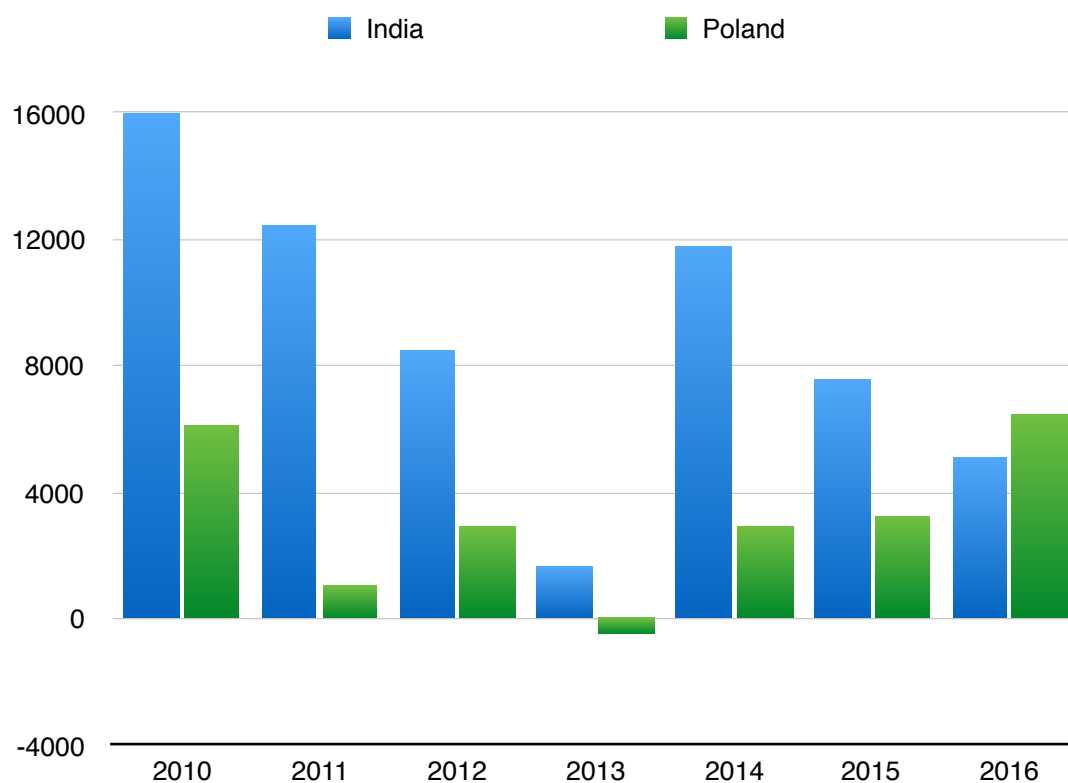
Above mentioned graph shows that the confidence among foreign investors for India has been increased. Thus, inflows to India is increasing constantly from 2013 to 2016. But comparing with Poland the scenario is bit different - it is fluctuating, which means country needs to boost confidence among foreign investors and bring many new regulations in order to increase FDI inflows.

## 2.3. *Out Flows from India and Poland*

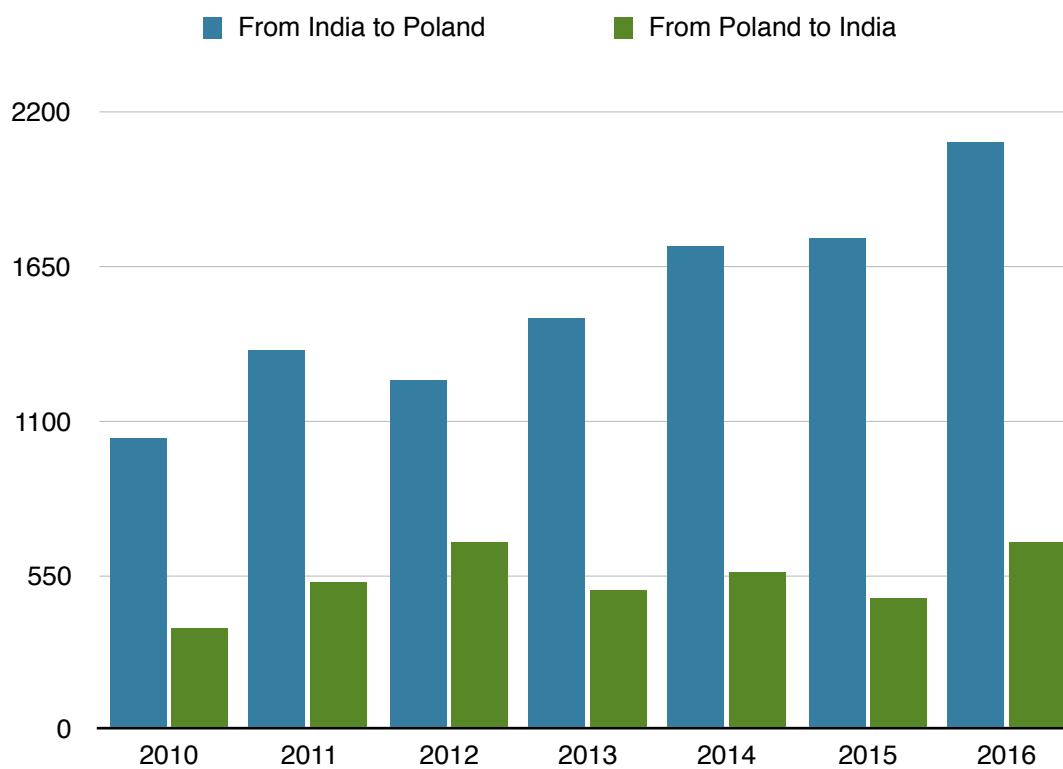
Graph below shows that outflow from India after 2014 has been decreased but comparing with Poland, outflow from Poland has been increased and it is growing subsequently.

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<sup>5</sup><http://unctadstat.unctad.org/wds/TableViewer/tableView.aspx>



#### ***2.4. Trade between India and Poland<sup>6</sup> (2010-2016)<sup>7</sup>***



<sup>6</sup>[http://www.indianembassywarsaw.in/eoi.php?id=Pol\\_rel](http://www.indianembassywarsaw.in/eoi.php?id=Pol_rel)

<sup>7</sup>Central Statistical office of Poland (GUS) (In US\$ Million)

*Trade between India and Poland has been increased in 2016 and it is expected to increase in consequent years. Both countries are increasing trade flows by identifying the sectors. In this regards Medical Sector might be an important area of cooperation for both the entities not only for social term of cooperation but also in economic dimensions.*

### **3. Indian Healthcare Sector**

Healthcare sector is one of the fastest growing sector in India which is growing at a rate of 15% and expected to touch \$250 billion by 2020. In current political scenarios- Central govt. of India had launched many social sector support and transformed medical regulations in order to make easier access of medical services to the people of India. With interference of public investment \$60 billion, it became one of the high priority sector for the development.

Medical Sector in India mainly based on following factors:

<b>FACTORS</b>	<b>Reasons to support factors</b>
<b>Population Growth</b>	Population growth also increased life expectancies-need for maternity and child health care
<b>Non Communicable Disease</b>	Changing lifestyle also increased different types of diseases such as cardiac diseases, cancer and diabetes
<b>Income growth</b>	Indian middle class is growing. the growth of their income also increased expectations for better health care services. e.g insurance, hospitals, technology etc.
<b>Awareness</b>	Increasing awareness about better life style make patients more preventive.
<b>Foreign Patients</b>	medical tourism is increasing every year. Currently serving more than 850,000 foreign patients every year in areas like cardiology, joint replacement, orthopaedic surgery, transplants and urology.
<b>Privatisation in health care</b>	private health care centres and private hospitals

Keeping in view the reforms undertaken by the Indian government in the recent past, India has been ranked 39 among the 138 countries in the Global Competitiveness Index (GCI) 2016-17<sup>8</sup> released by the World Economic Forum (WEF), jumping 32 positions in two years from its

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<sup>8</sup><https://www.weforum.org/reports/the-global-competitiveness-report-2016-2017-1>

rank of 71 in 2014. And today's the Indian Healthcare industry is a preferred sector for strategic and financial investments. Private investment in medical sector has been appreciated since early 2000's and recent government investment in the sector make the one of the largest industry in terms of revenue and employment generator.

#### **4. Space for Cooperation**

Recent changes in regulations, applied to the healthcare sector make it more attractive but many challenges still remain to be solved. The pace of population growth with 1.3 billion population, creates the shortage of hospitals, doctors, and specialists. Indian education sectors are not up-to-date in order to produce qualified number of required doctors, specialists with today's technology based treatment. Lack of medical universities with limited numbers of places are decreasing number of doctors.

Considering such challenges, Indian government is doubling its expenditure on healthcare to 2.5% of GDP and investing heavily in public healthcare infrastructure<sup>9</sup>. The private sector is also boosting its investments in healthcare delivery and is currently responsible for 80% of the new bed capacity. Every major private hospital chain has plans for expansion in the near future. Many private medical universities and Deemed universities are coming in existence to accommodate increasing number of Indian students for medical studies. As India and Indian government moves towards achieving its goals in health infrastructure expansion, there are numerous opportunities for Polish universities to provide medical education for India students either in Poland or in India as well as for Polish companies for hospital design, engineering and equipments.

#### **5. Medical Universities and capacities for providing education**

India with 1.3 billion population needs thousand of doctors in order to serve Indian societies but it is surprising that total number of Indian *Medical Universities/ Colleges teaching medical courses (MBBS)*<sup>10</sup> are 479 with capacity to accommodate *total students 60845*. Thousand of talented students are not able to continue their medical studies even they are well qualified academically as well as financially. Students in India for medical studies tries several times to be admitted in any medical colleges but it's very difficult to get in, not because they are not talented but due to limited places and less number of medical colleges and hospitals in the country.

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<sup>9</sup><https://www.rvo.nl/sites/default/files/2017/08/Healthcare-Market-in-India.pdf>

<sup>10</sup><https://www.mciindia.org/ActivitiWebClient/informationdesk/listofCollegesTeachingMBBS>

## Poland

Total Number of *Medical Universities*<sup>11</sup> are 11 with capacity to accommodate total students **127318**.

Name and Place of the University	Number of students
Medical University of Białystok	5000 <a href="https://www.umb.edu.pl/en/o_uczelni">https://www.umb.edu.pl/en/o_uczelni</a>
Nicolaus Copernicus University Ludwik Rydygier Collegium Medicum in Bydgoszcz	25000 <a href="http://www.umk.pl/en/university/university/">http://www.umk.pl/en/university/university/</a>
Medical University of Gdańsk	6000 <a href="https://mug.edu.pl/19439.html">https://mug.edu.pl/19439.html</a>
Medical University of Silesia in Katowice	9000 <a href="http://sum.edu.pl/en">http://sum.edu.pl/en</a>
Jagiellonian University medical College in Kraków	43405 <a href="http://www.en.uj.edu.pl/en_US/about-university/facts-and-figures">http://www.en.uj.edu.pl/en_US/about-university/facts-and-figures</a>
Medical University of Lublin	6700 <a href="http://www.umlub.pl/gfx/umlub/userfiles/olamarcinko/um_informator_eng_final_2.pdf">http://www.umlub.pl/gfx/umlub/userfiles/olamarcinko/um_informator_eng_final_2.pdf</a>
Medical University of Łódź	8500 <a href="http://en.umed.pl">http://en.umed.pl</a>
Poznań University of Medical Sciences	8000 <a href="http://www.ump.edu.pl/en">http://www.ump.edu.pl/en</a>
Pomeranian Medical University in Szczecin	600 <a href="https://www.pum.edu.pl/english/about-pmu">https://www.pum.edu.pl/english/about-pmu</a>
Medical University of Warsaw	9413 <a href="http://www.wum.edu.pl/uczelnia/o-uczelni">http://www.wum.edu.pl/uczelnia/o-uczelni</a>
Wrocław Medical University	5700 <a href="https://www.ed.umed.wroc.pl/medicine-general-introduction">https://www.ed.umed.wroc.pl/medicine-general-introduction</a>

Poland a country with 36.5 million population with 11 medical universities offering 1 27 318 places for medical studies. Many universities from Poland are approved by Medical council of India.

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<sup>11</sup><http://www.nauka.gov.pl/en/higher-education-institutions/medical-universities.html>



Most of those universities are offering English study programs and their degrees are valid around the world.

## **6. Conclusion**

As trends are changing in global scenarios broader are becoming smaller. Every country is seeking international cooperation and foreign capital. In case of India and Poland for the economic ties it is very important to understand one-another's need and accordingly make regulations to assist each other. Here as FDI is increasing between India and Poland in both ways- inwards and outwards, identified area of cooperation in health sector may play a very wider role to increase the capital flow between them. By providing medical education to Indian students in Poland, Polish Medical universities will be receiving millions of euros as tuition fees from Indian students which will contribute in the development of the Polish economy, and by their returns to India, India will be receiving well qualified doctors. In other way- Polish companies or investors may come to India in medical/ health care sector which is one of the fastest growing industry in India and make win win situations for both the countries as well as industries.

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- <http://en.umed.pl>
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