

GOA DIALOGUES

THE INTERNATIONAL CENTRE, GOA

On Education

HUMAN CAPITAL AND DEVELOPMENT IN GOA Issues of Higher Education

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The International Centre, Goa, Dona Paula, Goa, India

*Introductory Remarks of Yatin Kakodkar, Trustee, The International Centre, Goa and
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Ladies and Gentlemen,

It gives me great pleasure to make these introductory remarks. For the sake of clarity, let me make it clear that by higher education I mean university education, technical education, and vocational education.

I would like to start with the question: What is the purpose of higher education? Is the purpose pure knowledge or applied knowledge? Is the pursuit of knowledge for its own sake or is it pursuit of knowledge to achieve an enhanced livelihood?

In the past, especially in the western world, the purpose of university education was pure knowledge. But the world has changed a lot in the last two hundred years. And so have universities. Today universities pursue knowledge that is practical and utilitarian. How has the world changed that it has caused higher education to change? What are the trends? I can think of four trends.

The first trend is the spread of economic development. With a few small exceptions, the whole planet before the industrial revolution was one big rural society. The industrial revolution changed all that. First, a manufacturing society came into existence. Second, in the 20th century, a service economy came into existence. The spread of economic development created demand for mass education, and gave the masses the income to afford higher education. In India, and in Goa, too, economic growth and development is increasing demand for higher education.

The second trend is the spread of education. Before the industrial revolution, higher education was only for the elite. The masses could not afford higher education. But in the last two hundred years, higher education has spread and has become mass education. In Goa, too, after liberation, higher education has become available to the masses. The spread of education is a triumph of mankind, but it has come at the cost of good quality.

The third trend is globalization. During the last fifty years the world has shrunk, along with advances in shipping, transportation, information technology, internet, satellite technology, television, trade, spread of multinational corporations, foreign direct investment et cetera. So has education become global. The curriculum is global. HBS case studies are taught at the IIMs. Big American universities are setting up schools and colleges all over the world. Internet has made distance learning possible.

The fourth trend is the rise of knowledge economy, where knowledge and human capital is more important than the traditional factors of production.

Let me now refer to some major issues relating to higher education.

The first issue is quality. Quality refers to the quality of skills and knowledge that people acquire after receiving higher education. This depends on the quality of teachers, the quality and relevance of the curriculum, and the quality of infrastructure. Kiran Karnik of NASSCOM was quoted by The Economist magazine as saying that only 20% of Indian graduates are world class, 20% are barely adequate, and 60% are lamentable.

Second, who is going to finance the cost of high quality education? We need innovative solutions or policies. Government could give tax incentives for private education, just as they are giving tax breaks for SEZs and IT parks. One way is to make student loans available as is the case in America.

Third, who is going to provide higher education? Is it government, or is it the private sector, or a combination of the two.

The fourth issue is autonomy to institutions of higher education. Unless the universities and technical institutions are given freedom to raise fees, or pay higher salaries for faculty, the universities will falter.

The fifth issue is competition. Competition is known to help the consumer through improvement in quality and reduction in prices. The same is true in the field of education. A case in point is America.

The sixth issue is educational diversity in higher education. Universities, management schools, IITs, ITI, polytechnics, vocational schools all need to be strengthened so that all types of students, with varying degrees of intellect and skills, have opportunities for higher education that suits them. Besides, the economy needs people with different levels and types of intellect and skills. The economy needs both elite institutions and average institutions, but both should be excellent for their levels.

The seventh issue is skills shortage. The Indian economy has been growing so rapidly during the last 4-5 years that the country is facing a serious shortage of skilled

manpower. The time is ripe to reform the education sector in the country, and increase the supply of trained and skilled human capital.

The above trends and issues apply both to India and Goa. The foremost priority for Goa is the strengthening of its educational system, both at primary and secondary level. Unfortunately, governments in Goa do not have a vision for developing education system in Goa. What Goa needs more than IT SEZ are good IT schools. Having a IT SEZ without a good IT school is like putting a cart before the horse. As a result a whole generation of Goans will discover that they do not have the skills to participate in a global economy and a knowledge economy.

Thank you very much for your attention.