

Liberalise the Education sector

A three-pronged approach to Reforms

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2008 is poised to be another year of high economic growth. As we enter the last quarter of FY 2008 – the fourth consecutive fiscal when India has witnessed over 8% growth – we find India's manpower shortages aggravate even further. Just as growth has been multi-sectoral, so have the manpower deficiencies.

There is scarcity of skilled manpower in every industry – from good carpenters and plumbers to factory workers, doctors and scientists. The banking industry, which employs 900,000 people, is expected to add 600,000 more over the next three to four years. Similarly, the IT and ITES industry will need around 850,000 additional skilled manpower by 2010. And, the retail industry will need nearly 2.5 million skilled professionals by 2012.

Not only are jobs within India on the rise, the developed world too is facing manpower shortages, which are expected to rise to 40 million by 2020. This shortfall can be met by India, where both educated unemployment and the number of people joining the workforce are on the rise. In short, the opportunities before India are huge, provided our Education sector gears up to take these on.

The good news is that the government is paying heed to this challenge. Sarva Shiksha Abhiyan is geared towards achieving useful and relevant elementary Education for all children by 2010. This movement is showing results. The number of out-of-school children in the 6-14 years age group has dropped from 13.4 million in 2005 to 7.06 million in March-end 2006. Similarly, the Universities Grant Commission has announced a new budget with promising initiatives and better funds for universities.

While these initiatives are welcome, they are unlikely to solve the sheer magnitude of the problem. Manpower shortages are both qualitative and quantitative in nature. The task is a lot bigger.

We need to take a fresh look at the Education sector. It's time we encourage, engage and motivate both not-for-profit and profit-making institutions to set up Educational institutions. Whoever wants to contribute to this sector must be encouraged to do so. There is a role for everyone. There is too much to be done.

In 1991, India opened up several sectors to foreign investment. The liberalization policy unleashed enormous energy in India's corporate sector. Since then, several Indian companies have gone global and earned a name in the global marketplace.

We need similar type of 'Policy Reforms' in the Education sector. Players in this sector must be given the freedom to enter, operate and exit. India needs more universities. While Japan has 4,000 universities for its 127 million people and the US has 3,650

universities for its 301 million, India has only 348 universities for its 1.2 billion people. India can't afford to lose more time on debates. In Japan, 75% of all higher Education institutions are private. We need to pass the Private Universities Bill that has been pending in Parliament since 1995.

India needs 'Curricular Reforms'. In today's world, where technological know-how is evolving with each day, Educational institutions need to be granted the freedom to engage with the industry and change the curricula as and when required. Educational institutions must teach what the industry needs.

And finally, the Education sector also needs 'Financial Reforms', especially in higher Education. The government should provide scholarships and loans to those who need it the most, and leave academic fee to be determined by market forces. That's what will make our Educational institutions relevant and self-sustaining.

The need of the hour, therefore, is to rapidly implement this three-pronged Reform process—Policy Reforms, Curricular Reforms and Financial Reforms.

A Knowledge Economy like India runs on the back of its educated workforce. Today, our chances of emerging as a super power squarely rest on our Education system and how well it responds to meeting domestic and global requirements for talent. It is an opportunity India just cannot afford to lose.

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