
DEVELOPMENT OF HUMAN RESOURCE-ROLE OF HIGHER EDUCATION & PPP

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Abstract: The structural transformation is changing the structure of the economies from agricultural based to industrial based and further to service based economies. These economies are also referred to as to communication based economies i.e. Knowledge based economies due to technological transformation. In such knowledge based economies skills are becoming an important part of the workforce. Knowledge based economies have strong demand for higher level of skills in the workforce. A knowledge-based economy is describes an economy that uses information resources—technologies, skills, and processes—to achieve and accelerate economic growth potential (ASIAN DEVELOPMENT BANK) A knowledge-based economy is one that has an economic incentive and institutional regime that stimulates the acquisition, creation, dissemination, and use of knowledge and information to improve its growth and welfare, as well as effective systems of education and skills, information and communication technology (ICT), research and development (R&D), and innovation. **(World Bank and OECD descriptions)**

In knowledge based economies ICT is a fundamental resource. ICT has opened many new avenues for growth and employment. ICT revolution is rapidly raising the demand for, and changing the nature of, education and skills -literacy, technological literacy, communication skills, problem solving, critical thinking, self-learning, team work, network management, change management, creativity, and initiative are some of the new competencies required for participating in information society and knowledge economy. Apart from bringing tangible returns ICT also leads to inclusive growth.

Given the importance of ICT in the knowledge economy it becomes imperative for the economies enhance the education and training system to meet the skill demand of the activities. The countries have to significantly strengthen their human resource capabilities for employability, which implies that education and skills become more prominent. With changing technology, the workforce have to constantly learn which means lifelong learning and acquiring of competent skills becomes necessary for employability and job security.

India is also moving fast towards knowledge based economy due to the growth of service sector. And in such sector almost in every field there is a use of ICT.As the service sector is skill driven and employment intensive, India can take full advantage of demographic dividend (Young population) for which it has to invest highly in skill and training of the workforce.

An institutional mechanism for developing human capital is needed through the formal educational system which will focus more on skill and training. The university and industry partnership can transform the research into application. The study will focus on challenges to higher education and the role of PPP.

Keywords: Higher education, ICT, private sector, skills, vocational education.

Introduction: Education in a powerful tool for socio-economic change. Education can build a nation & can lead the nation on the path of progress. According to **Dr. Radhakrishnan**, “the objective of education is the discovery and the development through, proper training, of an individual’s in born qualities. Universities should fulfill these two prime duties toward their students”.

If India is to reap the benefits from changeover of information society to knowledge based society then we need to act quickly in order to reform and streamline our education system to enable the development and assimilation of knowledge. A well educated population, equipped with the relevant knowledge, attitudes and skills is essential for economic and social development in the twenty-first century. (Twelfth Five Year Plan)

Albert Einstein has differentiated between education and knowledge by saying, “Education, is what remains after one has forgotten everything he learned

in school”. ‘Education’ is defined, as a process of teaching, training and learning, especially in schools or colleges to improve knowledge and develop skills. ‘Knowledge’, on the other hand is, ‘the information, understanding and skills that you gain through education or experience’. So, ‘education is the process that enables you to have knowledge’

With this in view the research paper will focus on;

1. Examine the role of State in Higher Education.
2. Challenges to Higher Education in the era of Globalization.
3. Reforms in tertiary education & improving Technical and Higher education.
4. Significance of PPP in Higher Education.

Status of higher education in India:-

India’s higher education system is the third largest in the world, after China and the U.S.A. The main government body at the tertiary level is UGC (India). The number of institutions grew by 58 per cent from

29,384 to 46,430. By the end of the Eleventh Plan, the country had 645 degree awarding institutions, 33,023 colleges affiliated to 174 universities and over 12,748 diploma granting institutions.

India’s tertiary education system is one of the largest in the world with over 10 million students

World Bank Statistics found that only 1 in 10 young people have access to tertiary education, out of those who receive higher education & this is predominately among the well off. Tertiary Education needs to be expanded especially among low & middle income students. This will require reforms in the governance, structure of higher education, decentralization of major institutions & faculty development.

Mercer Consultancy estimates that only a quarter of graduates are “employable”. An optimistic estimate is that only 1 in 5 job seekers in India have ever had any sort of vocational training. There is on one hand shortage of skilled and educated work force, on the other hand India is also facing the crisis of knowledge in terms of its expansion, development and deployment. The gap between the supply and demand of an educated workforce is approximately 10 million people.

Morgan & Stanley paper estimated that India will likely account for the largest increase, an additional 110 million youngsters to the global labour force, over the next decade. With the imparting of right skill sets our world beating human resources would surely shore up both the quality and extent of the growth momentum. But without the requisite training and skilling, the growth potential would simply fail to materialize.

To create a sustainable cadre of “knowledge worker”, India needs to make its education system more demand driven to meet the emerging needs of economy and to keep in highly qualified people in the country.”, say Anuja Utz, Co-author of the report. This means raising the quality of all institutions, not just a few world class ones, such as the IIT’s.

Public expenditure in Higher Education:-

The private education market in India is estimated to be worth U.S. \$ 40 billion in 2008 and will increase to U.S \$68 billion by 2012. However India continues to face challenges. Despite the growing investment in education, 35% of its population is still illiterate; only 15% of Indian students reach high school & just 7% graduates.

LITERACY LEVEL 2011.
(%)

2001	2011
65	74

Source: Census of India 2011

National Education Budget for 2010 is Rs 31, 036 Crs (U.S. \$ 7.05 billion)

The State responsibility for higher Education is becoming less and State funding has been falling According to the United Nations Education Scientific & Cultural Organization (UNESCO) India has the lowest public expenditure on higher education per student in the world.

Challenges to Higher Education:-

The higher education in India is facing some severe challenges .The education system with the onslaught of globalization in the 21st century, has to be made more competitive and qualitative by reducing these constraints.

1. Accessibility:

The Government of India in its process of achieving high growth aims to provide Higher education to all but it is not accessible by all considering the limited numbers of colleges and Universities.

2. Cost effective:

The reach of higher education for all is difficult with the amount of course fees charged by the institutions. A student may have the capability and the aptitude for a particular course, but with lack of financial ability the student has to forego his area of liking.

3. Quality:

The education system available lacks quality in terms of its global acceptability. The choice of subjects and courses should cater to the needs of the market and industry.

4. Research oriented: The higher education system has insignificant growth in terms of research and technology. Emphasis on independent thinking, innovative ideas, and new dimensions is lacking.

5. Research infrastructure:

There is lack of proper and required infrastructure for carrying out research activities like, funds, library, books, journals, reports, etc in large number of educational institutions

Changing challenges to opportunities:-

Having the world’s largest working population is a bane if most of them are unemployable. For the first time in India the Government and the private sector are trying to turn it into a boon. If India is to exert its demographic might on the economic front, it will need to skill 240 million by 2023.

Status of working population

Age	2010 (in millions)	2022(in millions)
0-18yrs	404	417
18-59yrs	674	793
Above 59 yrs	98	143

Source: Management consultancy service

INDUSTRY	Incremental demand 2022(in millions)
Informal employment sector*	37.8
Auto and auto components	35.0
Building and Construction	33.0
Textiles and clothing	28.2
Transportation and Logistics	17.1
Organized Retail	17.3
Real estate services	14.0
Health care	12.7
Food Processing	9.3
Education &Skill development services	5.8
IT & ITES	5.3
Gems & Jewellery	4.8
Leather & Leather goods	4.8
Banking & Financial Services	4.2
Tourism & Hospitality	3.8
Furniture & Furnishing	3.4
Electronics & hardware	3.3
Medical & Entertainment	3.9
Chemical & Petrochemical	1.19
Construction Material	1.5
Building hardware	1.4
Total	240 mill

Services ICRA Management consultancy services.

* E.g. Domestic help, beautification, security gnarls, facilities, management etc.

Strategies for Skill Development: The new Partnership:-

There are millions who have class room knowledge, but are unemployed because they lack specialized skills or talents A few million join them year after year. This skill gap is a major challenge for an economy that aims to grow at 8-10%p.a. In order to eliminate this problem, for the first time efforts are being taken to train people in the age groups of 18-35 yrs. These efforts all made as a three- pronged strategy;

1. National Skill Development Mission
2. IT I's
3. Private sector
1. NSDC:

The Government has appeared to a new entity NSDC to fund and work with the private sector to skill 150 million by 2022. NSDC was set up in 2009. This government heavily aims to provide Rs15, 000 cr, over the next 10 years to the private sector to run training schools. It has utilized Rs 320 cr already to 12 JV's, with a target of training 18 million. NSDC enters into joint ventures with companies and provides them with funding to set up training facilities. The funding is primarily in the form of soft Loans – interest rate a 6-10 %, for tenure of 2-3 years. So far, it has funded 4 JV's with a combined training capacity of 1.5 million over 10 Yrs to the tune of Rs 65 Corers. The Big Change through this is the strengthening of linkages between industry and the ITI's. There was a dis connect between what the youth were taught and

what the industry wanted them to know. By getting involved with ITI's they are now able to get skilled & job ready hires. For E.g. Ispat Industry has upgraded 20 ITI's in Maharashtra. According Pradeep Pandey President HR Ispat, 'the idea is it provides employment to the local population who could be employed but cannot for want technical and soft skills required in a steel plant'.

2. ITI's:

The Industrial Training Institutes are given a new lease of life by assigning a private partner to them to increase quantity and quality of the 1400 ITI's of which 500 have shifted to the PPP model. The seeds of this transition were sowed in 2008, when the government decided to bring in private Partners for 1,396 of its 2140 ITI's to change things up.

The list of Companies who have adjusted IT IS. Includes TATA Motors, Mahindra & Mahindra, JSW steel, Bajaj Auto, Toyota Kirloskar, & Bharat forge. The Scheme of upgrading of government ITI's through the PPP route has 2 models.

- a) The government provides the ITI's a 30 year, interest free loan of Rs. 2.5 Core.
- b) The World Bank gives the ITI's a grant of Rs. 3.5 crore – no repayment required.

3. Private Sector :

The private sector companies are setting up self – funded institutes to train thousands in their respective sectors for e.g. L&T and Rustonjee in construction, Bharti in retail, Nasscom in I.T, which have dedicated training institute and are looking to train a combined 2,30,000 by 2013. According to Sanjeev Duggal CEO, Centum learning, the private sector is considered as the end employer for most of their skilled resources that can provide industry oriented skills.

The private sector training institute, offer entry -level courses in several sectors including IT, retail construction & sales. They impart soft skills .The courses are either free or heavily subsidized for candidates from under privileged sections. On completion of this course certified by the government or companies, candidates are absorbed by the company or placed outside. According to Atul Singh ITI's placement officer, there is 75% placement rate on average. A recent study by software industry Association, Nasscom showed that only 20% of the 4, 00,000 engineering students who graduate every year meet corporate requirements. Most of them lack in technical and presentation skills, the ability to converse in English and work in a team.

The Nasscom Foundation with financial aid and grants from member companies has trained 54,000 people in 5 years & aims to train another 10,000 over the next these years. The ICRA Management consultancy services say that 'Skill development could emerge and are of the biggest challenge or one

of the biggest opportunities for the country. By 2022 India will have 794 million in its working age population (18-59 years) more than any other country? According to Centum learning in 2020, the world will have a deficit of 47 million workers, while India will have a surplus of 56 million workers.

Example 1: Nasscom Foundation is driving IT training in rural and semi-urban areas. It initially started in Hyderabad, similar centres in Delhi and Sangli in Maharashtra were started in 2010, in partnership with voluntary organization. In Delhi, the course aims at providing lively hood opportunities and skill development for girls between 16- 27 years from under privileged trainees Rs7, 000-10,000 a month as compared to the Rs 2.5-3 lakhs cost in big unit institutes. The students have the option of paying their fees in equal monthly instalments once they start working. Their diploma is certified by Accenture and Nasscom foundation, Accenture the key corporate partners, for Anizoom, helps with content & funding.

Nasscom foundation

Sector : IT & IT related
 No. of centre : 250
 Student Intake : 60 per batch for center
 Course Duration : 1 Month
 Course Fee : Rs.7000 to Rs.10, 000

Example 2: L & T is a rare construction company in India with a training institute that feeds into its business. It has capacity to train 7, 000 -8,500 a year with offices in seven states. At L&T Chennai headquarter, 16,500 workers have been trained. So far since its establishment in 1995. L&T's with about 3.3 million is India's second largest employer after agriculture, yet it has a deficit of 40 million labourers according to Natarajan.

The entry level starts from class V fail (diploma & degree holders are barred.) Everyone who clears the training course is employed on contract at the company's work sites through sub- contractors. They are taken on Pay-roll only after 6-7 years. All Courses are designed for short –term national training varying from a period of 200 hours to 600 hours (over 3 months.) The trainees work on a mock construction site in the institute

L&T Construction Skills Training Institute

Sector : Construction
 No of center's : 7
 Student in take : 7000-5000 per year
 Course Duration : 1-3 months
 Course Fee : Nil

Suggestions:

More and higher quality vocational education in required to adequately prepare youth for current jobs, this requires

1. Expenditure vocational training in high growth sector to overcome existing skills shortages.

2. Setting Common standards for training & reforming institutional governance for greater private sector involvement so that training can dynamically adapt to changing labour market demand.
3. Ensuring accountability and good use of resources.
4. Expanding and improving technical & tertiary sectors.
5. Shifting focus from production and creation of educated work force to knowledge based on culture of research and independent thinking.
6. Enhance the quality of education in two major areas:
 - a. Quality of faculty
 - b. Quality of syllabus that is more often than not outdated
7. Introduction of various Add- on Courses relevant to industry needs in colleges or areas of higher learning like Travel and Tourism, Actuarial Sciences, etc.

Conclusion: Higher education or tertiary education enables an individual to acquire skills and training for achieving higher goals of developments of a country. The Industry-Institute linkage is being considered as a matter of great value to the nation at large. The need of the hour is to boost the transformation in higher education in terms of mere dissemination of information to deployment of knowledge. This requires a significant financial contribution which unfortunately the Government in India cannot cope up with. So the public – private – partnership can solve the financial burden as well as provide opportunities for placement. The PPP model will have knowledge centers meant for communities who have no access to such programmes. The PPP is bringing respectabilities to a trade that has been looked down upon as profession requiring no formal skills in huge numbers like L &T, carpenters bartenders, masons, welders, plumbers and electricians. With the Government and companies waking up to the challenge, the effort has received a collective a change in larger context the, enterprise and the economy can earn real returns.

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