



Human Resource Development Needs Paradigm Shift -A Focus on India

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KEYWORDS :

This paper analyses the inter linkage of education, human resource development in India. India is perhaps one of the few nations with no clear policy on human resource development. It is time the country took a holistic view of human capital that may soon become the only benchmark of competitiveness. All debates these days on higher education seem to revolve around the issue of reservation in institutions of higher learning. The policy entrepreneurs are comfortable as well as active in this domain and also have well-articulated policy recommendations. However, other important issues are getting ignored and sidetracked.

India is one of the few countries with a full-fledged Ministry of Human Resource Development (MHRD). Yet, India is also perhaps one of the few nations with no clear policies on HRD. The formation of the Ministry did not change the worldview of either the Government or the nation on this aspect.

Nobel-winning economist Simon Kuznets showed in his path-breaking work that economic inequality first increases and then declines as an economy moves down the path of development, resulting in the so called "inverted U curve". His study revealed that developing countries tend to possess higher degrees of inequality than their developed counterparts. However, one must keep the mechanisms and linkages that are responsible for this "inverted U curve". Many economists have argued that the decline in the later stages is caused by effective governance and may not be caused by higher output alone. The role of the MHRD, therefore, becomes obvious in this context.

Case in point:

Consider the case of India and China. In these economies, most of the skilled workers now enjoy hefty pay packets. In contrast, the majority of their rural population is unskilled and fails to get decent jobs because of lack of education. This is unlikely to change dramatically until the government takes specific steps. In both the countries absolute unemployment is increasing and reform-antagonists are gaining a strong voice.

Take history. After Independence, the government took over all the areas of development - social, economic, technological. Perhaps it was necessary, given the absence of organized institutions in most fields to supplement or complement the governments -efforts. The prevalent mindset was to look at the government as the provider of most products and services.

Changed scenario:

Our position on the economic trajectory has changed significantly since, as has the global scenario and mindset. The 1991 economic reforms programme was an admission of the realization that a change in economic governance was necessary, even if initiated by IMF mandates. Over the last decade and a half, a political consensus also seems to have taken shape on this and that has helped in sustaining the momentum. The benefit of this track change has become visible though it has also created new problems on regulation, institutions and competitiveness.

What is true for the economy is equally true of many other areas such as healthcare, education, media, etc. The Government cannot be the sole provider of these services in a participative economy. As the demand grows for such services, the government has to make way for others who have the core competence to deliver them — else both the quality of governance and the quality of these services will suffer and the resource limitations of the government would emasculate many of these services.

HRD Ministry's role:

In this context, the Human Resource Development Ministry's role appears different. It has to play, simultaneously, the roles of a leader, a policy planner, a catalyst and an apex regulator than a mere service provider. In fact, the service provider's role has to diminish quantitatively and expand qualitatively over the long term.

Obviously, human resource development or rather human capital development assumes a very important role going much beyond merely providing education. As in industrial development, the initial reliance on the public sector helped the country set a base, but the nation moved away from that mindset after the economic reforms were ushered in. Time has come where a similar reform process is needed for human capital development with clear leadership provided by the Ministry.

Education important:

Education is an important component of human capital development, but it is not the only one. Accretion to human capital also takes place through apprenticeship, on-the-job training, and experience that is, learning by doing, exposure to newer technologies and so on. It is clear that the government cannot be the sole provider of these opportunities and services. However, the MHRD may have an abiding role in developing national policies and priorities as well as catalyzing the formation of appropriate institutions, regulating bodies, developing new linkages with other countries and foreign institutions and, of course, coordinating with other ministries. Take the case of Singapore. It is often argued that Singapore's acclaimed skills development system may be considered an example of a concerted national and integrated effort, given its multilevel focus and private sector collaboration. It is successful because it is linked to other national policies (for example, economic development, and technology transfer), and various institutions appear to work together. The Ministry of Trade and Industry (MTI) played a key role for broad economic development policies. A range of semi-autonomous agencies played an active role.

Conclusion:

Charged with the development of the nation's human capital, the MHRD also needs to monitor the growth of supply and demand of different skills and pre-empt any major mismatch. The environment cannot be taken as static any more. Long-term forecasts and plans need more frequent revisions. GATS (General Agreement on Trade in Services), on the other hand, provide new challenges and opportunities requiring a totally different worldview. If immediate action is not taken in a concerted, purposeful and proactive manner, there may be a sense

of missed opportunities. As the global economy transforms to a knowledge economy, the only measure of competitiveness will be provided by human capital and India can have a tremendous competitive advantage if sufficient attention is paid to this critical resource. Is the Government taking such a holistic view of human resource development.

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