

## **Not human resources, work to be exported**

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As we know that the budget is based from the Michael porter's theory of competent in terms of nation, also where it speaks about you can actually leave out the older theories which focuses only on natural domains, Labor, interest rate and financial problems for growth. Rather than looking at, both the innovation and knowledge as the lead from elements for the economy. I think in the first budget as well as in the revised budget, there is a substantial emphasis happened on that aspect. When you look at knowledge based economy and where the economy actually derives returns, by looking at production of knowledge goods and transfer of knowledge goods. Kerala is already doing that, in fact we know that conventionally leveraging on our education system people actually use to move out of Kerala and for knowledge work be in healthcare sector, be in IT sector, some of us know that almost one third of the whole IT workforce in India is actually being funded by Kerala. But I think there are two major changes which is happening in the external world which we need to be which, is being taken care of in the budget.

One , there is a change from this large centralized models of Economic development or blogs factory based model of economic development of industrial world is actually slowly shifting to small decentralized models of economic development. We have now getting efficiencies of scale, even at a lot smaller format, so that is actually one big change from the industrial economy world which has happened. The second thing is, we also have through the Digital technologies, we have seen that many areas, which was conventionally were not dematerialized is actually getting dematerialized. Education is one example where conventionally you are looking at this as something is quite a bit of a physical dependence on is there now actually getting dematerialized to a large extent. So externally, there is a change happening; there is a decentralization of work spaces are happening, the dematerialization of many of the conventional factors of economic growth is happening. How do we actually

make best use of that is primarily what I think the budget tried to address. As we discussed, we have a large pool of people who are within the state who are unemployed, who are educated. Perhaps not skilled, but educated and you also have people moving out earlier, so we were exporting. If you use that word, you are exporting human resources in the past, now we need not have to export human resources for the work can actually be exported, people can still remain in the State itself, which means you are actually having people who will consume which is triggered the consumption will be in the state. This actually get in a long event will help develop the growth of the economy person. Now in that context, how do we actually have these opportunities is primarily what I think the budgets were trying to address. But there are quite a bit of challenges in that primarily look at two three elements, one, you need to have a good skilling infrastructure and come to that a little later. The second is you need to have very major structural changes in the education and the third thing is obviously there is a mindset change from your movie common factor based economy to an innovation based economy. We know that we have close to 3.5 million people who can actually be potential contributors of work in various domains, many of them can actually be done on a remote manner, but the skilling infrastructure of the state is still not able to address that. If you take the whole skilling infrastructure of the state, we can skill around 100,000 - 150,000 per annum, which means we are basically speaking about a huge gap in the scaling infrastructure, which is required. The challenge here is that somehow we are actually keeping the scaling infrastructure away from the mainstream of education. Because the mainstream education is never been looked at, something which can actually provide education and the budget speaks about some changes in the education like creation of centers of excellence, creation of the higher and knowledge production, etc. I think there will be an emphasis on how do we actually integrate the skilling along with the education itself. Primarily, maybe, looking at the teacher training and things like that, so there is an area where we require if you really wanted to achieve this very ambitious but achievable target person.

The second element is that there need to be a structural change in the education person. We know that the education system is having a huge amount of regulations and policy challenges which requires if you wanted to make any of the changes which envisage in the budget, even if you wanted to set up a Center of excellence within an existing university system, you really require some changes in the statutes and regulations of the university. Unless that is

addressed it may not be possible for us to many times and that is the second element which we need to look at.

The third element of course is that how do we actually move from a world where we are looking only on a job which is primarily based upon conventional factors of production to an innovative job which may request continuous skilling which may require to take a break in between the re-energize themselves and combine. Budget has provided a very interesting social network for that, but addressing that taking that in and educating people that type of a model so work is actually going to happen in the knowledge economy is an area which, I think we need to propagate quite a bit if you really wanted to achieve.