Why in news?

India plans to pump in over ₹10,000 Crore to build 20 world-class higher education institutions.

FACTS (PRELIMS)

KNOWLEDGE ECONOMY

It is an economy in which growth is dependent on the quantity, quality, and accessibility of the information available, rather than the means of production.

4 pillars of knowledge economy by world bank

Economic Incentive and Institutional Regime (EIR),
Innovation and Technological Adoption,
Education and Training, and Information and Communications Technologies (ICT) Infrastructure.

EIR

The EIR consists of incentives that promote the growth of entrepreneurship and the efficient use of existing as well as new knowledge.

Innovation and Technological Adoption Education and training

A system of innovation centres, such as firms, universities, research institutions, think-tanks, consultancies, and other organisations is required to put the global stock of knowledge to good use, to adapt it to local and national needs, and to create new technological solutions. Education and appropriate training of the population are needed to make it capable of generating, sharing, and utilising knowledge.

ICT

Modern and highly accessible ICT infrastructure is required to facilitate effective communications and the dissemination and handling of information, which can be transformed into valuable knowledge.

ANALYSIS (MAINS)
Indian society has traditionally laid great emphasis on knowledge. Some of the world’s major academic disciplines, religions, ideas, and theories find their roots in traditional Indian knowledge. Modern estimates suggest that knowledge will continue to drive growth in India for another 100 years.

India’s shift to knowledge economy – a different venture

The evolution of economies throughout most of the world has followed a consistent trend: from pre-industrial agriculture-based economy to industrial economy, and then on from post-industrial service-intensive economy to the knowledge economy now. However, the trajectory was slightly different in India, as the services sector proliferated into the Indian economy at a much faster pace than the industrial sector. This made India a services-oriented economy even before the manufacturing sector could develop completely.

India’s demography in service sector

According to 2014 estimates, nearly 60% of the Indian population is in the working age group (18-64). The proliferation of the services sector, paired with the Indian demographic profile, gives the country a potential edge over its competitors in the developing world.

The role of education in fostering knowledge economy

Primary education ensures literacy and the development of basic cognitive skills, whereas secondary education lays down the foundation of a healthy, skilled labour force that is capable of learning new skills and adapting old skills according to need.

Tertiary education further hones the individual’s intellectual capacity to produce knowledge and utilise it. To further supplement these capacities, there should also be provisions for lifelong learning that helps countries and populations adapt to changing market demands. In the industrial age, educational institutions were designed to produce worker-citizens.

Need for revision in Educational system

In the 21st century, on the other hand, schools can no longer just produce mindless labour. There is thus an urgent need for revision in the way education is imparted in order to make way for inculcation of new skills and the spirit of innovation in young minds. In India, even though near full enrolment has been achieved at the primary level, the quality and accessibility of secondary and tertiary education need serious attention. Once these educational structures are transformed and made accessible to all, nothing can stop India’s triumphant march into the global knowledge economy.

Reforming education through Information Communication Technology

Reforming education using ICT can be used to give access to learning and education to those sections of the society that face exclusion, such as high school dropouts, illiterate farmers, and children with disabilities. It can also contribute greatly in improving the quality of teaching and learning outcomes in existing educational institutions. The Digital India
initiative was launched in July 2015 with the aim of digitally connecting India so as to foster a digitally empowered society and knowledge economy.

Components of Digital India in this dimension

The project includes initiatives like universal access to mobile and broadband connectivity, e-governance, e-healthcare, National Scholarships Portal, and the electronic delivery of many other services.

Moving ahead, a larger goal for the state is to transform its role in education from that of the sole provider to a facilitator and quality assurer. There is also a pressing need to address the political economy of educational reforms, which often acts as a hindering force in the implementation of corrective policies and measures in the education sector.

Knowledge society Vs Knowledge Economy

While knowledge economy gives rise to the concept of intellectual property rights, wherein knowledge can be patented and monopolised by the originator, a knowledge society can only be established when people at the bottom rungs of society are able to benefit from this knowledge. Social and digital inclusion is the fundamental criteria for a society to qualify as a knowledge society. For instance, while it is imperative that patenting be allowed to make sure innovation does not get discouraged, at the same time it is also necessary to reduce the number of years for which patents are granted so as to make knowledge accessible to all.

Way Ahead

Just as the 19th century is touted to have been the ‘European century’, and the 20th century the ‘American century’, the 21st century could potentially be the ‘Indian century’. But for that, India needs to look at itself in a whole new light. The nation needs to expand itself as a knowledge economy built on innovation, skills, and technology, where the government, corporates, educators and start-ups come together in the pursuit of economic collaboration and advancement. And education will undoubtedly play an essential role in building these institutions and ensuring effective linkages between them.

Question Based on the topic

Analyse India’s move to invest and develop knowledge economy by proving a great emphasis on high educational institutions.

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