

**Key Note Address of Hon'ble HRM at the Conference on "Higher Education and Economic Growth" organized by Indian Institute of Management, Indore and Higher Colleges of Technology, Dubai on 25<sup>th</sup> September, 2013 at Dubai Men's College, Dubai, UAE.**

**(Address through Video Conferencing)**

Prof. Ravichandran, Director, Indian Institute of Management, Indore, Dr. Saud-Al-Mullah, Director, Higher Colleges of Technology, Dubai, distinguished academics, students, special invitees, ladies and gentlemen,

A very warm greeting to you from India. I would have very much liked to be with you physically but I regret that due to certain exigencies, I could not come to Dubai and am able to participate only through Video Conferencing. I am glad that IIM, Indore is partnering with Higher Colleges of Technology, Dubai in its various ventures. I am also glad that many other Indian institutions have also been collaborating with institutions in the UAE, particularly in the field of higher education.

Education is increasingly seen by governments and societies as a major contributor to national wealth and economic development. Economists have established a clear correlation between growing economies and increasing participation rates. There is also a belief by planners and policymakers that a large higher education sector is an important driver of long-run economic growth. However, it is difficult to establish with certainty that mass higher education necessarily leads to higher growth. This depends on the skills produced by an expanding tertiary sector and their utilisation in the jobs available to increasing numbers of graduates.

World Bank statistics show that higher education enrollment is an important indicator of economic growth. When a country substantially increases the number of university students, it tends to enjoy a spike in economic growth in the decade that follows. A study by UK titled 'The Shape of Things to Come' draws on well established relationships between GDP growth and tertiary education enrolments. This relationship

is particularly strong for emerging economies with GDP per capita less than USD 10,000 where a small increase in the GDP contributes to a significant rise in the enrolment rate. The study found strong correlation in certain countries between student and trade flows. In some countries, such as Canada, Japan, China, South Korea and India, the correlation is above 70%.

As you are all aware, Higher education participation and enrolment has expanded considerably over the past century, and growth predicted by 2030 is likely to be higher than that experienced in the past. Globally, the number of students enrolled in higher education by 2030 is forecast to rise from 99.4 million in 2000 to above 414 million in 2030 – an increase of 314%. This growth is being fuelled by the transformation that we are witnessing in the developing and emerging regions and countries of the world – a growth that will only accelerate in the next decades.

In my view, increasing tertiary education participation and attainment is also pivotal to cementing social mobility for people, particularly for those from disadvantaged socio-economic and indigenous backgrounds. This is a significant factor which helps to sustain economic growth.

In today's world, academic institutions should be, and are, conscious of their new role in addressing both the local and global expectations. We all realize that education is a critical input for social mobility, to eradicate poverty and to promote sustainable development. The process of globalization and the increased use of information and communication technology in education have also brought a paradigm shift in the concept of educational services which are of global standards and trans-national in approach.

The ongoing expansion of higher education brings numerous challenges as well as opportunities for governments and institutions; how these are managed largely depend on their relative stages of development. The fact that many developed countries are

confronted with economic crises that inhibit growth prevents them from ongoing investment in education, while others (mainly those in developing or emerging countries) are sustaining economic growth above world averages, which enables them to continue investing in or expanding access to post-compulsory education.

The constant endeavour of my Ministry is to increase access to education by opening new institutions, providing equality of opportunity to all, particularly to the deprived sections and to improve the levels of learning and the quality of research at the tertiary stage. I also believe that our academic institutions need to strike a judicious balance between tradition and modernity and between the need for competition and the concern for equality of opportunity, equity and inclusion of the marginalised sections. We are also using Information & Communication Technology in a big way to reach out to the remotest corner of the country and are connecting all universities and colleges with broad band through a National Knowledge Network.

In order to take advantage of globalization as also to contribute to the world of knowledge, my Ministry has accorded blanket permission to all institutions of higher learning to collaborate with foreign institutions in all areas of mutual interests. We are encouraging our institutions not only to undertake faculty exchange and joint research programs with institutions from abroad, but also to establish campuses abroad. We are also committed to strengthen research by way of providing additional funding through research projects. Under the guidance of our Prime Minister, Dr. Manmohan Singh, India has also launched a National Skill Development Mission to skill 500 million youth by the year 2022.

Given that the impact of globalisation and technological development that has brought countries and remote regions closer together, there needs to be a greater level of cooperation and institutional partnering to promote sustainable development, particularly among the most impoverished regions. Developed countries could contribute to developing the capacity of less developed countries to implement policy reforms and widen access to all levels of education, by providing expertise as well as encouraging flows of capital for investment in education. You all will appreciate that in

order to maintain a high standard of teaching and research as also catering for the needs of domestic and international student audiences on the one hand and resolving global research challenges on the other, significant and ongoing investment in education is required.

There is also scope for more effective application of research excellence into commercial activities which are under-utilised resource for generating inward investment and research income from local and global companies. There is also a need to have deeper engagement between the higher education system and the industry so that higher education and skill development continues to be relevant.

As the Indian economy and society grows and modernizes, the Indian higher education landscape also has to change to meet the magnitude of demands being made. The change should take care of the new responses needed including delivery models for innovative deployment of technologies and business models for financing innovations. Our universities, research institutions and laboratories have to change for supporting strategic goals in this area. The role of innovation in spurring growth, overcoming natural resource constraints and unleashing Indian energies and synergies is widely recognized all over the world. There is a wide range of areas that would require breakthrough innovations and significant management inputs. These include energy, water management, farm production, waste disposal, health care, communications, and so on.

I would also like to add that harmonious growth of all disciplines is critical to higher education and efforts must be taken to promote Humanities, social Sciences and Basic sciences so as to ensure a balanced educational environment in our institutions of higher learning. Universities of the twenty-first century cannot promote an academic life in seclusion but rather must champion reason and imagination in engagement with the wider society and its concerns.

As I said earlier, investments in tertiary education generate major benefits that are crucial for knowledge-driven economic and social development. For example,

technological innovations and the diffusion of scientific and technical innovations lead to higher productivity and progress in the agriculture, health, and environment sectors; higher skill levels in the labor force are mainly due to innovations resultant from research in universities. Similarly, management practices can lead to better delivery of services not only in private sector, but more importantly in the public sector as well. Another key feature is the implications of online content for of higher education. Information and Communication Technologies (ICTs) and Massive Open Online Courses (MOOCs) are already impacting learning within higher education. There is a deep, urgent and radical transformation that will be required in the governance models for higher education so that individuals, institutions, university leadership, educational planners and policy makers can arrive at broad collaborative models and policies to bring out the desired changes urgently.

I am convinced that there is a lot that we can do together for advancing collaboration between UAE and India. The presence of a large Indian diaspora and the cordial relations between our two countries, as also the strong bonds that exist between institutions of higher learning, will definitely give a boost to the advancement of higher education in the region. Today morning I had addressed the Principals, academics, students and parents of various CBSE Schools of the Gulf region in a conference being held at Indian High School, Dubai through Video Conferencing and I was overwhelmed by the warmth of the relations and the hopes and aspirations of the people of our two countries. I am sure this Conference will add to the strong and growing partnerships that exist between our institutions.

Before I conclude, I would like to express my sincere thanks and gratitude to Prof. Ravichandran, Director, Indian Institute of Management, Indore, Dr. Saud-Al-Mullah, Director, Higher Colleges of Technology, and all the delegates for giving me this opportunity.

**Thank You!**  
**JAI HIND!**