

CAN INDIA'S SHARE OF THE GLOBAL ECONOMY BOUNCE BACK TO 25%?

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Foreign capital, Foreign Trade & BoP

Around three centuries ago, India's share of the global economy was about 25%. Today, it has dwindled to single digits. During this period, India missed three waves of industrialisation: Industry 1.0, driven by mechanisation, steam power and weaving loom; Industry 2.0, driven by mass production and assembly line; and Industry 3.0, driven by electronics and computers.

With the onset of Industry 4.0, where the industrial and digital worlds are converging, India has a once-in-a-lifetime opportunity to regain lost ground by leveraging its enviable combination of technology and talent, an advantage not many countries can claim to possess. A lot has been written about India's technology prowess and what it can do to further strengthen it. Let me focus on what India can do to turbo-charge its talent engine.

First, the "affiliation system" of higher education, which drove consistent quality while building scale in the past, needs to be reimagined. This model worked well during Industry 2.0 and Industry 3.0. With digital disrupting every aspect of our life, there is a need for greater autonomy and innovation in higher education to develop multi-disciplinary talent. Having universities with hundreds of affiliated colleges following standardised approaches stifles innovation and entrepreneurship. What India needs today is an exponential increase in corporate-funded universities, deemed universities and autonomous institutions that have the latitude to innovate. Second, we need a skilling movement similar to our freedom movement. Every skilled individual needs to participate in this movement. Individual Social Responsibility (ISR) can create much greater impact than Corporate Social Responsibility (CSR).

The curriculum in many of our educational institutions is out of sync with shifts in the marketplace and the faculty find it hard to cope with the velocity of change. Teaching-learning models should boost self-paced learning and assessment methodologies should focus on learning outcomes. This can be done only if employees, present and past, exposed to shifts in the physical-digital world, enthusiastically participate in skilling at scale. While paid volunteering time off is catching on in some measure, employee-led volunteering has to be woven into the cultural fabric of organisations.

Rejig labour laws

Third, our labour laws dating back to a time when government and public sector undertakings created jobs, need to be unshackled. In a gig economy, where work-from-home, crowdsourcing, dual employment and moonlighting are gaining currency, rigid laws that are more regulatory and punitive than progressive and catalytic, set us back. We need laws that are "employment friendly" rather than employee or employer friendly.

If we can address these areas of education, skilling and labour laws on a war footing, India can truly bend the curve and significantly enhance its contribution to global GDP. While employer brands of the future would be those that focus on skilling and reskilling, countries of the future would be the ones that focus on education, skilling, and forward-looking labour laws.

(The writer is President, Madras Chamber of Commerce and Industry)

We need a skilling movement in which every skilled individual needs to participate

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