

ECONOMIC REFORMS - INDUSTRY & TECHNICAL EDUCATION

*** A.C. Patankar**

PRESENT SCENARIO

Human Resource is a vital input to the industry. Technical institutions provide the basic training to this resource. India is fortunate to have a well developed system of technical education which is imparted through industrial training institutes, polytechnics, degree colleges and higher institutes of technology. India, today, has a large reservoir of technically qualified people who are respected all over the world for their ability. The country should be proud of these technocrats who contribute to the technological development and the economic growth of the country. Industry and technical institutions are complimentary to each other and have to work together very closely. Industry which mainly uses the product of the technical institutions, spends large amounts of money on retraining the people to its specific requirements. Unfortunately, adequate attention is not being given, both by the industry and technical institutions to make appropriate changes in the present system of technical education. If it is done, both the industry and the technical institutions would stand to benefit. The industry would be able to save on the cost of retraining and the technical institutions would not have to worry as to how their students would get appropriate opportunities in the industry. Compared to the developed countries, the contact between industry and the technical institutions in India is of a superficial nature. In spite of the efforts which are continued to be made on both the sides for the last many years, the cooperation is not as it should

be. However, this situation will have to undergo a change. The economic liberalisation which has been initiated in the last two years will compell both the industry and the technical institutions to plan a joint strategy to meet the challenge of the new economic order.

1991 - THE YEAR OF ECONOMIC REFORMS

1991 was a historic year for the Indian economy as it saw initiation of economic reforms which are aimed at changing the existing economic system in the country. Sweeping structural reforms are under way and the country is now moving from regulation to deregulation of economic activities. competition will be the order of the day in the country, in the coming years.

ECONOMIC REFORMS - MEASURES

The economic reforms comprised several measures such as devaluation of the rupee, introduction of a new trade policy and a new industrial policy. The Central Budgets for the years 1992 - 93 and 1993-94 have carried forward the process of economic reforms. India is now heading for a competitive economic system. Industry is now obliged to adopt itself to the competitive environment and play its designated role in making the Indian economic environment a part of the global economic scenaric. Industry has already started making appropriate changes and the technical institutions will have to follow suit.

*** Senior Director CII (WR) Bombay**

IMPACT OF ECONOMIC LIBERALISATION ON INDUSTRY

The economic liberalisation in India has made a marked impact on industry. What are the elements of this impact?

- 1) There is a change in the business environment, both domestic and international through increased competition.
- 2) Technology review which would lead to updating of technology.
- 3) Management of technology would become crucial.
- 4) Decision on and adoption of an enterprise-level technology policy through the process of an intense and sustained analysis of the existing technological capabilities and emerging requirement.
- 5) Effective cost management through planned expenditure saving on the various industrial inputs such as materials, energy, capital goods, components, manpower and infrastructure. In fact, industry will have to save on all the costs if its product is to stand the competition.
- 6) Change in the character of market - from a protected market to a buyers' market. The customer dictating the terms on the basis of competitive price, best of the quality and prompt delivery of the product. To exist, industry will have to meet this demand.
- 7) Integration with the world market will be of paramount importance.

NEED FOR AN ENTERPRISE-LEVEL STRATEGY

Indian industry would, therefore, need to think and plan new strategies to meet the most complex situation which is now emerging. At enterprise-level, it may involve :

- a) Strengthening of existing business.
- b) Planning and making an exit if necessary.

- c) Consider entering into new business which has prospects for growth.
- d) Plan for international operations.
- e) Planning for technology driven growth.
- f) Review of organisational structure and making appropriate changes.

ENTERPRISE-LEVEL IMPACT OF CHANGE

What is the likely enterprise-level impact of the change that is now on?

- 1) Understand the meaning of the change;
- 2) Face it through an action plan;
- 3) Study the surrounding environment;
- 4) Forecast to the future competition.

STRATEGIC REVIEW OF BUSINESS PLAN

This would involve a strategic review of the business plan. The strategic review would include :

- a) Product range
- b) Technology
- c) The role of inhouse R&D
- d) Manufacturing scale and scope
- e) Relook at export markets
- f) Review of the enterprises' capital structure

No enterprise which has to survive the competition will be able to do without a strategic review of its business plan.

TQM APPROACH

The enterprises will have to adopt a Total Quality Management approach to cover all the operational areas such as :

- a) People
- b) Technology
- c) Costs
- d) Marketing
- e) Productivity
- f) Industrial Relations

It would thus be seen that Indian industry will have to undergo a cultural change.

IMPACT OF ECONOMIC LIBERALISATION ON TECHNICAL EDUCATION

The economic liberalisation will also have an impact on technical education in India. It will involve the review of the present system of technical education which is geared to meet the requirements of a protective system. The needs of Indian industry will now be directly linked to the competitive environment. The manpower requirements will therefore undergo a drastic change. The forces of competition will decide the quantum and probably the quality of manpower needed by the industry. The technical institutions in the country will have to plan to meet the emerging situation. This needs immediate action in consultation with the industry. In fact, it will have to be a joint action.

The technical institutions will have to play an increasing role to assist the industry in its technology upgradation and participate in the industry's plan for management of technology. Today, the involvement of the technical institutions in this area is nominal. This situation will have to change. Today, Technical institution will have to assure the industry of their capability and readiness to assist the

industry in its endeavour to make the necessary technological changes to meet the emerging industrial situation.

Technical education would have to be as broad as possible as the requirements of the industry would undergo a change. Multi-disciplinary studies will become increasingly important. The technical institutions will have to make appropriate changes in their curricula.

CHALLENGE OF THE CHANGE

The change would have to be managed by the industry and the technical institutions together, hand in hand. Isolated approach would not work. The industry will have to take an initiative to motivate the technical institutions to be partners in the management of change.

On the part of the technical institutions, they will have to respond positively to the industry. The process may be painful both for the industry and the technical institutions, but there is no way out. A close understanding and cooperation between the two will make the process less painful. The ultimate objective is to build a competitive India. The need of the hour is to act immediately and with resolve. If there is no response, the change will overtake both industry and the technical institutions.

