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circular

Covering development in the area of training and education on economic policy issues



What is CIRC?

Regulatory reforms are gaining pace in the developing world, with an increasing number of countries enacting competition and sectoral regulatory laws. Protection and enhancement of commercial interests has become one of the most important policy objectives. Moreover, emergence of international trading systems through the World Trade Organisation (WTO) and other regional agreements has opened up new opportunities, besides posing new challenges. Attracting foreign investment is another important priority.

With so much happening on the economic front there is a pressing need for finer knowledge, better negotiating skills and improved capacity of understanding competition laws, economic regulations and commercial aspects of diplomacy. However, there is a severe shortage of institutional capacity for implementing reforms and facilitating knowledge on these matters in developing countries.

There is a huge vacuum in this area and current efforts are largely piece-meal and fragmented. Adequate emphasis is not given on learning from cross-sectoral and cross-country experiences. There is a clear gap in terms of research and its utilisation in course curriculum. Even the approach taken by the existing training programmes is not as broad based, as it should be.

CUTS has been working on economic policy issues since 1984 as a leading research, advocacy and networking group, and thus, has realised the importance of the issues involved. Therefore, CUTS initiated the inception of CUTS Institute for Regulation and Competition (CIRC) at Jaipur, India, which aims to fill in the prevailing gaps and enhance knowledge on regulatory issues. An 18-member Governing Council has been formed, which is headed by Dr C Rangarajan, Chairman of the Economic Advisory Council to the Prime Minister of India, and includes other eminent persons such as Rubens Ricupero, former Secretary General of United Nations Conference on Trade and Development (UNCTAD), Dr Jagdish Bhagwati, the noted trade economist and Dr Frederic Jenny, judge of the French Supreme Court. The aim is to make CIRC the means to commute the distance between ignorance and knowledge. It will work in this direction reducing the void and gradually creating awareness on issues of competition, economic regulation and commercial diplomacy.

CIRC has been conceived with the idea of making the markets work better for the people by creating an intellectual and knowledge base on regulatory reforms, including economic regulation, competition policy and commercial diplomacy. This institute aims to be a centre of excellence on regulatory issues, which would be achieved by offering educational and training programmes on the referred subjects, while maintaining international standards. It would facilitate research to enhance understanding and explore inter-disciplinary linkages among the identified subjects.

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What's Happening – An Overview

Online Education

Keeping pace with today's world, education too has become easy to access through the Internet. Every subject, and topic has online material for in depth knowledge and information. For instance, students of computing will benefit greatly from tutorial materials hosted on 'Virginia Tech'. The W3Schools with several on-line tutorials is meant for web developers.

There are tutorial directories in place and new search engines for the access to latest information. For example, there is Pixel2life which is a tutorial search engine having tutorials on Java Script, Perl, Visual Basic and so on. Several related links to a particular topic can also be found in a jiffy. New search tools are being developed to tame the ever-expanding ocean of web information like Omgili which indexes web-based discussion forums. There are several others like the Brainboost, Lexxe, Factbites, etc. (TH, 23.01.06)

Need Based Course

In today's world of cut-throat competition, individuals have to be equipped with the best possible tools to carve out a place for themselves, be it any vocation. Colleges and universities, still, are using the old, worn out curriculum, which fails to keep pace with the changed scenario of the society. Suggestions have been made to customise the curriculum according to the needs and requirements of companies.

The IT industry, for instance, would be spending enormously to train professionals according to their industry's requirement. According to Nasscom Vice-President Sunil Mehta, the employability ratio for IT and IT Enabled Services is only 15 percent i.e. out of 100 applicants only 15 are hired. There is, therefore, a growing need felt for learning centres and institutes equipped with customised curriculum aiming to educate its target segment. (BL, 12.02.06)

Sharing Knowledge

Sharing doubles the pleasure and benefits thereof. The educational system of India is also reaching out and sharing knowledge with that of other countries through its associations with their schools and universities. Indian Institute of

Management Calcutta has entered into a memorandum of understanding (MoU) with Cardiff Business School of Cardiff University. They stand on a common platform dealing with issues like e-commerce, leadership, entrepreneurship, etc. This association would bring in new ideas by way of interchange of faculty, academic information, business and industry management training programmes. (BL, 13.02.06)

Bridging the Gap

Data from various countries show that there are many people working in capacities for which they do not have the technical expertise. Be it the developed or the developing countries, the situation is just the same. There is a complete gap in the educational system, which leads to people being engaged in jobs, which are absolutely unrelated thus affecting the output too. More and more people today need to be trained professionally so that the industry can utilise them fully and give better returns, which, in turn, would benefit the economy.

The Government of India is also realising this problem and has asked the state governments to modify and redo the educational system. In today's world of liberalisation where the economic boundaries are disappearing, making the market more approachable and more competitive, there is a felt need for knowledge on issues like economic regulation, competition policy which would accentuate the process of economic growth and development. (FT, 18.01.06 & TH, 21.01.06)

Strengthening Education

Education could be strengthened by consolidating the existing number of universities and opening up more. The Government of India has come out with the plan of providing free land for building more colleges and universities. The

need for opening up more educational institutions has been identified to strike a balance between demand and supply. There is more demand than supply. More and more students are seeking higher education to establish themselves in the global scenario. Need for vocational education has been recognised and people are proceeding more and more in this direction.

A report indicates that the number of people seeking admission for CFA Institute, USA has increased ten-fold. The government is contemplating funding of these colleges, so that the entire system could be revised and refreshed. University Grants Commission and Indira Gandhi National Open University (IGNOU) are rendering immense help where this revival is concerned.

(ET, 06.02.06 & 09.02.06; BS, 13.02.06)

Financial Independence

The government has decided to stop funding the existing management institutes in an attempt to make them self-dependent and self-reliant. Institutes like the Indian Institute of Management (IIM) Ahmedabad, Bangalore, Kolkata have to increase their intake of students so that more financial independence is achieved. Also, in an effort to improve the curriculum these institutes are planning to open centres overseas which would not only bring in new ideas and training methods, a change in the faculty and an exchange of study material but would also generate better funds for the financial independence.

Opening of new centres in different countries is a step towards global expansion. Here again a need for higher and professional education is felt and measures are being taken to satiate this need.

(ET, 27.01.06; FE, 20.01.06; & BS, 19.01.06)

Enhancing Excellence

ITC Ltd is coming up with a centre for excellence with the help of Confederation of Indian Industry. This centre would aim at identifying excellence in economic, ecological and social performance of industries. Sustainable competitiveness is being targeted through maximum utilisation of natural resources. This sustainability is a must in order to survive in a world of competition and growth.

This centre would have its seat at Kolkata, India and would be mainly concentrating on the industries of the eastern region of the country. Their coming together would build greater strength and higher capacity to excel in the competitive market. (BL, 19.01.06)

Exporting Indian Education

Getting overseas students to India calls for a paradigm shift in the quality of education on offer in India. It is only after that is achieved can we think of individual institutions successfully setting up campuses overseas. Instead of a concerted effort to market Indian education overseas, IIMs are now permitted by government to set up campuses overseas. This *volte face* by government resulted from arguments that as an autonomous body, Indian Institute of Management Bangalore (IIMB) was competent to take the decision, Congress HRD minister's unease at being compared to his predecessor from the *Bharatiya Janta Party* (BJP) who stopped IIMs from raising fees, and the intervention by the President of India in its favour. Even IIMB, which initiated the move, failed to realise that its constitution did not provide for establishing an overseas campus. IIMB had not taken consent from its new chairman who publicly expressed disagreement.

There are several factors against IIMs (and others) setting up campuses overseas: the brand image in comparison with prestigious American and European business schools, the limitations of faculty availability, the lack of expertise on other country conditions and practices, the absence of world class research and case writing, the huge unsatisfied demand in India and the risk that local universities abroad could tempt away Indian faculty. We must hope that IIMB, which initiated the move, is able to compete, has enough well-qualified faculty for the purpose and can take on this new responsibility without hurting its programmes in India.

It is time to consider education as a major export opportunity and a means to enhance Indian influence overseas. Three countries have substantial export of education. They are the US, UK and Australia. But most of their education exports earnings come from overseas students attending regular classes on campuses on their soil and little from such campuses as some have set up overseas.

None of these three countries sets up campuses overseas as the primary method for exporting education. Indeed, when a campus has been set up in a country, it is after there has been a large influx of students from that country over many years. Campuses are set up because of declining domestic intakes, thus enabling fuller use of faculty.

India is well positioned today to attract students from Asia and other developing countries to its better institutions. Attracting overseas students to India today has to be seen as part of a national effort at marketing Indian education. The purpose must be export earnings and long-term political and economic influence. A policy framework for higher education must provide for a proportion of foreign students. We might identify certain institutions and develop a well-publicised scheme of scholarships and work schemes for overseas students. The effort must be to get the better students, not the weakest.

A comprehensive programme of regular retraining of faculty must be in place to keep them up to date in their subjects. We might initially focus on subjects in which India is perceived as doing well: engineering, medicine, nursing, management and computer sciences. Visas and work permits must be made easier for students. Faculty interchange, inviting participation in conferences in India and contributions to Indian journals, are also ways to make the Indian education experience and quality better known.

The subjects mentioned for education exports are the ones that have a serious shortage of faculty. Setting up campuses overseas will deny more local candidates the opportunity to learn these subjects. There must be a concerted effort to increase faculty numbers and quality. The present system of low salaries, non-existent incentives for superior performance and lack of a performance evaluation system, ensure that the best do not go into teaching.

The danger of one or a few institutions going overseas is that they will fail by comparison with the much-improved local education quality and with the other foreign campuses already in place. Improving faculty quality has to be another action. For this to take place there must be funds available for research, case collection, conference attendance in India and overseas, and pressure to publish in reputed journals.

At the same time, the number of seats in India must expand, again calling for more faculty to be created. A massive PhD programme supported with generous scholarships must be put in place. Getting overseas students to India calls for a paradigm shift in the quality of education on offer in India. It is only after that is achieved can we think of individual institutions successfully setting up campuses overseas.

– S L Rao, A noted columnist



News & Views

Governing Structure

CIRC has a compact governing structure, which includes the Governing Council, an Academic Council and a Managing Committee. It also has a rich tapestry of a visiting faculty along with that of the core faculty. These councils have several eminent persons like economists, judges and former civil servants.

The **Governing Council** which is chaired by C Rangarajan also has other members like Shankar Acharya, Isher Ahluwalia, Nitin Desai, Vijay Kelkar, D R Mehta, Vikram S Mehta, Nripendra Misra, Kirit Parikh, Rajendra S. Pawar, S L Rao, Rubens Ricupero, S Sundar, Vijay S Vyas, D P Wadhwa, B K Zutshi, and Pradeep S Mehta.

The **Managing Committee** comprises of Vijay S Vyas as the Chairman, D R Mehta, S Sundar, B K Zutshi, Nripendra Misra as its members.

The **Academic Council** has T C A Anant, S Chakravarthy, R S Khemani, Devendra Kodwani, J P Lehmann, N L Mitra, Richard Whish, B K Zutshi, and S L Rao.

The visiting faculty provides an additional benefit of having experts in Economic Regulation, Competition Policy and Law, and Commercial Diplomacy from various corners of the world rendering useful contribution for the institute's benefit, progress and growth.

Feedback

Navin Chawla, Election Commissioner of India is delighted about this new initiative of providing training, research and educational facilities to stakeholders including civil servants and professionals.

Joint Secretary, Arvind Mayaram of Department of Economic Affairs, Ministry of Finance, Government of India foresees this centre as a knowledge and capacity building infrastructure in the field of competition.

Vinod Vaish, Member, Telecom Disputes Settlement & Appellate Tribunal, India perceives CIRC to play a significant role in the development of know-how and policy studies in the areas of economic regulation and competition.

S R Mohnot, Executive Chairman of Centre for Industrial & Economic Research, India has viewed the establishing of CIRC as a path-breaking initiative in the area of economic and public policy.

Vinayak Chatterjee, Chairman, Feedback Ventures extends his heartiest congratulations upon the setting up of CIRC.

Muchkund Dubey, President Council for Social Development, India opines the establishment of CIRC as a 'laudable initiative'.

Rajendra S Lodha, Senior Partner Lodha & Company, Kolkata, India, says "You have done outstanding work right through with unique distinctions and rare commitment. We feel proud of you. Keep it up".

Calendar of Events

The first Training Seminar on **Competition Policy & Law** is an upcoming event of CIRC, which is scheduled to be held at New Delhi, India, on **March 20-24, 2006**. This five-day training seminar aims at developing analytical capacities to comprehend competition policy and law issues, their perspectives and linkages with the industry and economy; developing understanding on compliance issues related to competition law among businesses; understanding the expected role of different stakeholders and groups in order to ensure competitiveness of the markets and accelerate economic growth. The resource persons for this seminar include practitioners, economists and lawyers such as Aditya Bhattacharjea, Francois Souty, John Preston,

Jaivir Singh, Manish Agarwal, Partha Mukhopadhyay, Pradeep S Mehta, R S Khemani, S Chakravathy, Shrawan Nigam, S Sundar and T C A Anant.

The proposed calendar of events for CIRC has slotted the second academic **lecture on Competition Policy & Law** to be held in the last week of **April 2006**. Following this, there will be a **seminar on Economic Regulations** in Mussoorie, India during the first week of **May**. The third academic lecture on Competition Policy is scheduled in the third week of May. Some time in July or August CIRC plans to have both a **training seminar and academic lectures on Commercial Diplomacy**. Once again, resource persons of a high calibre will be involved with the event.

Archives

CIRC is set to become an institute with a difference. In a significant step, it launched a new initiative by organising the first of its kind CIRC Academic Lecture Series entitled, '**Capacity Building for the Indian Competition Regime with focus on Abuse of Dominance**', at New Delhi, on January 18, 2006. Eleanor M Fox of New York University of Law and world-renowned expert on the subject delivered the lecture. The **web site of CIRC** was also launched on this occasion by Dr C Rangarajan, Chairman, Economic Advisory Council to the Prime Minister of India.

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