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# circular

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



## Rising to New Heights

**In March 2005, the Kenyan Minister of Communications suspended the Communications Commission of Kenya, on allegation of impropriety and sent the then Director General on leave. This single instance shows that selection and removal of regulators in Kenya are heavily influenced by the line minister, which significantly undermines the functional autonomy of regulators. Several such cases are prevalent in developing countries. It is often observed that while good laws are drafted, intent gets diminished in their implementation due to peculiar political-economy problems like the one highlighted above.**

In the developing world, there are both good and bad models, but these are not captured in research as cogently as would be desirable for new institutions elsewhere to apply in their own context. Research on competition and regulatory issues in such a milieu thus remains limited.

With the above backdrop, CUTS has envisioned a research programme on competition policy and regulatory regimes in the developing world, with a strategy to motivate researchers, particularly from the developing world to undertake research and participate in the accompanying Symposium. The research programme was initiated against the background that in poorer countries there is most often a gap between policy and implementation, due to various political economy and socio-cultural factors.

The project is unique in its approach, as it would facilitate focused and cogent research on implementation issues concerning developing countries, which is currently absent, with an in-built agenda of building research capacity in developing countries. The research programme will be set from the perspective of the developing world.

The Symposium would facilitate deliberations on approaches/recommendations that emerge from the research findings. It would bring forth the policy relevant issues that emerge in the context of political economy constraints in developing countries. Further, the Symposium would provide a platform to the research community from the developing world to showcase their research and facilitate peer review of their work by renowned experts. Besides, it would serve to exchange knowledge and experience between the North and the South and to strengthen co-operation between experts and practitioners working on political economy of regulatory regimes in developing countries. It would provide an opportunity for reflection on a wider range of views.

As part of this unique research programme, CIRC and C-CIER are jointly organising a Research Symposium entitled "Political Economy Constraints in Regulatory Regimes in Developing Countries" from March 22-24, 2007, at New Delhi.

Eminent experts from across the globe including political-economists, policy makers, government officials, civil society organisations, media and representatives of competition and regulatory authorities, will participate in the Symposium.

*(More to follow in subsequent issues)*

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## What's Happening – An Overview

### Teaming Up

With an eye on a better global ranking, Indian Institutes of Management are focusing on forging research tie-ups with reputed foreign universities.

Indian Institute of Management, Ahmedabad (IIMA), Indian Institute of Management, Bangalore (IIMB), and Indian Institute of Management, Lucknow (IIML) are in the process of entering into such research partnerships with global B-schools.

IIML is exploring research tie-ups with five B-schools in the US and Europe. The institute has close to 20 research tie-ups and may collaborate with San Diego College of Business.

While IIMA is in talks with the University of Amsterdam and Duke University, IIMB is trying to team up with four foreign B-schools for possible collaborations in areas of marketing and finance.

With increased research presence in international journals, B-schools look forward to improve their overall ranking by way of such research partnerships. (ET, 23.08.06)



### Professional Touch

With increasing number of family-owned businesses (FMBs) in India, there is a need for FMB programmes to help run the same in a professional manner.

In line with the above, top Business schools like Management Development Institute (MDI) and TA Pai Management Institute (TAPMI) are offering these FMB courses.

This need has been felt to expose the younger generation to formal management education, understand the changing dynamics of competition due to globalisation, develop entrepreneurial competencies, and the ability to face challenges.

The FMB courses are targeted mainly at the Small and Medium Enterprises (SMEs), which are contributing considerably to the boom in Indian economy. (ET, 17.08.06)

### E-learning on IPRs

Brain League, an Intellectual Property (IP) Services firm and Edutech, an E-learning Enterprise have jointly launched an online course on Intellectual Property Rights (IPRs) called 'Value IPR'.

It is one of the first of its kind custom-designed tool for IP companies. The tool is designed to benefit all sectors that generate intellectual wealth and also deals with customers of IP such as telecom, IT, pharma and biotechnology, manufacturing, and engineering sectors.

The course would involve interactive features, voice-over, online experts, and a certificate by both

partners, on completion. This tool would have a vast outreach where it would be used in the US, Europe, West Asia, and Asia-Pacific.

It would be upgraded each year and future programmes would include training on patent agents and industry-specific content. (BL, 08.07.06)

### Virtual Classrooms

Education is no longer confined to four-walled classrooms manned with instructors. Students can now become professionally qualified by way of Internet.

The proposed Internet kiosks for this purpose, is a part of the Eleventh Five Year Plan. The Planning Commission has submitted the draft to the Prime Minister for the same.

The institutions would be autonomous with the responsibility of testing and examination. All the content would be available electronically and accessibility would be easier.

Students would have the option of appearing in exams as per their wish. Higher education is evolving in India, hence efforts will have to be made to improve its present status.

More new colleges and universities will need opening up and existing ones would have to be upgraded for supporting this kind of an education system. (ET, 17.06.06)

### Mapping Skill-training

ISO 10015 through Geneva's Academy for Quality in Training and Education in association with the Confederation of Indian Industry (CII) will be the mapping tool for how

effective, relevant and fruitful training programmes are.

Till now, companies never used to check on their investments made in skill training, but now this has become possible with ISO 10015. This assessment will now be made through specific guidance in aligning training investment with business objectives.

The Geneva Academy specialises in quality certification of training systems, and is the only government-accredited certification body in the world based on the ISO 10015 standard.

As said by Raymond Saner, a registered lead auditor for ISO 10015. "The ISO standard is a quality management standard for in-service training to ensure that there will be return on investment".

India is facing a severe talent crunch and companies are spending immense amounts on acquiring and retaining trained competent staff. Thus, certified training programmes would catalyse the process from learning to application at work and would also put a tab on the misuse of training resources.

This mapping would help identify the gap between performance of what has been taught in the training programme and how to address these gaps. (BS, 06.07.06)

### Industry-Academia Linkage

Small and not so famous educational institutes have taken the road to join hands with industry in order to offer quality education through quality sources.

These industrial training institutes have realised that true autonomy would come only when it depends less on the state government for funds, and when it has an answer to industry complaints about the disconnect between the skills imparted in the ITIs and the skills demanded in the market.

Moreover, through various researches, it has been found and established that there is a dearth of trained engineering graduates in various corners of the world, whereas India produces a surplus of such graduates.

In order to overcome the skills problem, several institutes across the country have joined hands with industry, wherein the latter would provide institutes with money to train individuals as per needs, while the institute would provide them skilled manpower to meet the problem of 'skill'. (BS, 27.07.06)

# The Education Export Market

— Rajat Kathuria\*

In March this year, 25 universities from the US, including names such as Indiana and Purdue, arrived in India on a tour of metro cities to recruit Indian students for various courses. The tour was arranged by a US-based professional organisation that provides not only logistics support, but also helps in mobilising audiences and assists interested students in the visa application process.

This is not an isolated example of student recruitment from India, but reflects a development that is gaining momentum. And it is not only US universities that are evincing interest, but also those from Australia, New Zealand, the UK and Europe. The proximate reason for this trend is, of course, changing global demographics. While the population in the New World is getting greyer, ours is getting younger.

Fifty percent of India's population is under the age of 20, and hence, it comes as no surprise that foreign universities are targeting Indian students to fill their classrooms. In a broader sense, it also reflects the recognition of the growing importance of India and Indians in the global economy. The US is the world's number one educational destination and attracts about half a million students every year. In 2004, nearly 14 percent of all international students in the US were from India.

A majority of these students seek graduate degrees, but there is mounting interest for undergraduate courses. There are 79,736 Indian students currently enrolled in colleges and universities in the US. The numbers raise a few interesting issues. One, if we are able to improve both the quality and quantity of our education services, some students would prefer to stay back in India.

This is desirable, both from the point of view of retaining talent as well as servicing the growing needs of the Indian economy that is facing shortages of certain kinds of labour

market skills. But this is easier said than done. Private entry in education in India has been riddled with controversy. And without private initiative complementing public investment in education, we are unlikely to fully exploit this opportunity.

Two, 'export' of education is likely to become crucial to the survival of US universities in the future. In the language of the World Trade Organisation (WTO), under its General Agreement on Trade in Services, education is classified as a Mode 2 service. In Mode 1 of the WTO terminology, trade in services involves arm's-length supply of services. Trade in Mode 1 services is what most economists have meant when they discuss 'outsourcing.'

As distinct from outsourcing, Mode 2 services are provided by moving the service recipient to the location of the service provider. Besides education, examples of Mode 2 exports include medical care rendered to foreign patients and tourism. In 2003, education by itself generated as much as

US\$13.4bn in export revenues for the US. The public controversy over outsourcing under Mode 1 and its effects on American prosperity, jobs and wages, must therefore be tempered by US exports under Mode 2 and its attendant benefits.

Three, if we wish to 'compete' in the education vertically and try to become a regional (as opposed to global) hub, the time to start thinking about it is now. The domestic market is large and will allow benefits of scale. If the envisaged private initiative in education delivers quality, we could wean away some of this market from the US. What is needed is good policy and an enlightened, but tough regulator. Is this too much to ask for?

\*The author is professor of Economics at International Management Institute (IMI). The article appeared in Business Standard on May 4, 2006.

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**Student recruitment from India reflects a development that is gaining momentum. It is not only US universities that are evincing interest, but also those from Australia, New Zealand, the UK and Europe.**

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## Lessons for Babus

To chisel the administrative skills of *babus*, the Department of Personnel & Training is inviting experts from international universities for a training programme to be carried out in a phased manner, from early 2007.

This will be done in collaboration with top domestic educational institutes, including the IIMs and The Energy Research Institute.

According to sources, bureaucrats including IAS officers of the rank of joint secretary and above, and who have put in a minimum of 25 years service would receive training. (FE, 28.08.06)

## Get Set Go

Under a new government scheme, Indian workers getting ready to travel abroad for work will soon get a chance to upgrade their skills before they leave.

With an objective to help workers get higher wages and command respect among their employers, the Ministry of Overseas Indian Affairs has finalised a training module in which workers like carpenters and masons will get to attend a week-long course.

Besides sharpening their skills, the workers will get exposure to new technologies in their fields.

(HT, 10.09.06)

## News &amp; Views

### 'Trade Policy Making and Multistakeholder Diplomacy' (ALS.04)

by Dr Raymond Saner & Dr Lichia Yiu

July 04, 2006,  
New Delhi, India



The fourth event under the Academic Lecture Series was organised by CIRC on July 04, 2006, at India International Centre, New Delhi with Dr Raymond Saner and Dr Lichia Yiu, from the Centre for Socio-Economic Development (CSEND), Geneva as keynote speakers. Ambassador Kishan Rana, an eminent diplomat and expert on the subject was the Chair for the Lecture. Participants from government ministries, civil society and consumer organisations, academia and research bodies, law professionals and various representatives of embassies and high commissions attended.

### 'Evolution of Competition Law with respect to India' (ALS.05)

by Pradeep S Mehta

August 26, 2006,  
Kolkata, India.



The fifth event under the Academic Lecture Series was organised by CIRC in collaboration with the Institute of Company Secretaries of India (ICSI), Kolkata on August 26, 2006. Pradeep S Mehta, Director General of CIRC, was guest speaker at this event. The event began with Subrata Kr Ray, Vice-Chairman of ICSI-EIRC welcoming Mehta and all participants. Mehta began his lecture by giving a brief outline of CUTS' activities on competition law and policy at the national and international level. His talk included the extant competition law in India and how the Monopolies & Restrictive Trade Practices Act (MRTPA) came into being in India in 1969, the 1991 Reforms, and the changes brought about in the MRTPA since then, and what the new competition law proposes to do.

#### Calendar of Events

- Sixth Academic Lecture (ALS.06) on "Competition Policy & Law in a Liberalising Economy" by Prof Homer Pithawalla.  
December 7, 2006, Mumbai, India
- "Political Economy Constraints In Regulatory Regimes In Developing Countries" – A Research Symposium.  
March 22-24, 2007, New Delhi, India

(For more: [www.circ.in/event-calendar.htm](http://www.circ.in/event-calendar.htm))

#### Event Archives

### Workshop on 'Competition Policy and Law' (CPS.04)

June 29-July 01, 2006,  
Bangkok, Thailand



The fourth training seminar on Competition Policy & Law was organised by CIRC in collaboration with Foundation

for Effective Markets and Governance (FEMAG), Australia; the International Network of Civil Society Organisations on Competition (INCSOC), India; the Board of Trade of Thailand (BOT); and the Joint Foreign Chambers of Commerce in Thailand (JFCCT). The resource persons for the seminar had several renowned competition experts and economists from various parts of the world. Participants were from countries across the globe including India, Bangladesh, Kenya, Vietnam, Netherlands, the US, and Malaysia and representatives of the Department of Internal Trade of Thailand, many multinational corporate houses, civil society organisations, law firms and trade associations.

For more please visit: <http://circ.in/er29june06.htm>

### Training Seminar on 'Diplomacy in International Trade' (CDS.01)

June 28-July 1, 2006, IIFT Campus, New Delhi, India



Training seminar on Diplomacy in International Trade was jointly organised by CIRC, Institute for Trade & Commercial Diplomacy (ITCD) and Indian Institute of Foreign Trade (IIFT) and was supported by Ministry of Commerce, Government of India. The resource persons comprised eminent experts, practitioners and academicians in the field of Commercial Diplomacy and related matters. The seminar included participation from Ministries of Finance, Commerce and Industry, Small Scale Industry, Textiles, Non-Conventional Energy Sources, Petroleum & Natural Gas, Chemicals and Fertilisers, and the Ministry of External Affairs.

For detailed report, please visit: <http://circ.in/erCDS01.htm>

#### Feedback

"CIRC is an initiative that I am sure developing countries will welcome".

**Catherine Abbott**  
Competition Commission, UK

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