


International Conference on
Intellectual Capital Management
ICM2009



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Challenge of Intellectual Capital Development through Higher Education

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Topical Coverage

- Introduction
- Critical Role of Higher Education in a Developing Country
- Dimensionality of Higher Education
- Present Scenario in Higher Education
- Premise for Knowledge Based Area Development (KBAD)
- Funding Higher Education
- Knowledge Based Area Development (KBAD)
- Bangladesh Scenario
- Dynamics of Manpower Export from Bangladesh
- IUBAT and KBAD
- Extending KBAD
- Concluding Remarks



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Introduction

- Intellectual Capital (IC)→ Development → National Prosperity
- ICD is Long term social investment
- Higher Education as Route for ICD
- Research and Development through collaborating network
- Funding is crucial for institution building, access, quantitative expansion and qualitative parameters in Higher Education
- Non-government universities - model for ICD through market-driven, dynamic and quality higher education
- Question of access and quality
- KBAD approach; a solution for barriers to ICD
- Process Parameters for ICD



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Critical Role of Higher Education in a Developing Country

- Endowed with People
- Limited Natural Resources and Financial Capital
- Developing People into Intellectual Capital
- Routes to Creating Intellectual Capital
 - Education
 - Skill Development
- Attaining enhanced social mobility
- Individual achievement benefits the community




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- Critical to meet increasing needs of the disadvantaged group
- Dynamic curricula and research ensure flexibility, innovation and continual development
- Endowed with people not financial capital → education and skill development – an alternative to achieve socio-economic development through ICD
- Higher Education in ICD:
 - Development of ICD Supportive Education System (non-tertiary)
 - Enhanced ICD and social mobility
 - Global poverty alleviation
 - Empowerment
 - Income generation
 - Capacity building, national administration and policy making
 - Productivity, innovation, entrepreneurship and gender mainstreaming
 - Overall socio-economic development



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Dimensionality of Higher Education

- Relevance
 - Responsive to market and society, employment, capacity building, ethical standards, democracy, peace and equity
- Internationalization
 - Increased relevance, marketability, expertise exchange, adoption of changes
- Effectiveness
 - Quality, knowledge
- Dynamism
 - Adoption of changes
- Accessible
 - Propagation of learning and diffusion of resultant benefits

*** All together reinforces ICD**




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Present Scenario in Higher Education

- Confront the new realities
 - Expansion, differentiation, knowledge revolution
- From Class to Mass
- Elitist Vs Mass
- Enhanced primary, secondary education
- Rising real income
- Public and non-government universities
- Non-government universities responsive to changing demand
- New challenges to Higher Education
 - Access, Massification, Privatization, Commoditization, Quality Assurance and Maintenance, Relevance, Digital Divide, International Mobility of Staff and Trends in Donor Policies




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Premise of KBAD

- Explosion in Educational Demand and Output in Numbers at all levels
 - Targeted attempt by GOVT. and NGOs
 - Every villages has Higher Secondary+ qualified man and women
 - Non-marketable education
- How to Transform Investment in Education upto Higher Secondary level?
 - Further Investment in Marketable Knowledge and Skills



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Funding Higher Education


- Shrinking public funding
- Alternative funding involving stakeholders
 - accountability and ownership
- Funding for capacity building and access
- Public sector stagnant, NGUs Expensive
- Quasi-public funding – an alternative
- Participatory funding modalities




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Knowledge Based Area Development (KBAD)

- Open-up Opportunity for Further Education for all Qualified Persons to create Intellectual Capital
- Everyone to Acquire a Degree/Diploma/Post Higher Secondary Certificate in MARKETABLE KNOWLEDGE AND SKILLS
- Employment/Enterprise Market:
 - National
 - Regional
 - International




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- Educated and Skilled Individuals will Pull-up:
 - Family
 - Neighbors
 - Village Community
 - Through Access to Knowledge for Economic, Social Development for ICD
- Individual Success will have Demonstration Effect and Motivate Other Young People
- Bring Hopes and Dreams to Impoverished Communities



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Bangladesh Scenario



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- Government Institutions in Crisis for a Long Time
- Many Commissions, none worked, may be a good thing!
- Low allocation in Higher Education
- Poor households receive only 15% of public spending in Higher Education

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Emergence of alternative mode of HE in Bangladesh

- Activities initiated in 1989
- Law enacted in 1992
- 54 universities with 6% HE population
- Phenomenal Growth
- Growth has exceed Public University Enrollment (163004 students in Public Universities Vs 170505 students in Non-Government Universities)

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Dynamics of Manpower Export from Bangladesh

- Annual Migration: 564,000

Number of Bangladeshi Migrant Workers Year-Wise (1997 – 2007)

| Year | No. of Migrants |
|---------|-----------------|
| 1997-98 | 250,000 |
| 1998-99 | 280,000 |
| 1999-00 | 250,000 |
| 2000-01 | 220,000 |
| 2001-02 | 200,000 |
| 2002-03 | 250,000 |
| 2003-04 | 280,000 |
| 2004-05 | 250,000 |
| 2005-06 | 280,000 |
| 2006-07 | 580,000 |

Requirements:
 Information on International Labor Index
 Skill Development
 Promotion in Receiving Countries


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Remittance Inflows and Utilization

- Remittances: US\$ 23.7 billion (1996-2002)
- Annual Estimate Remittances: 5978 million US dollars
- Unofficial Remittances almost Equal
- Largest Foreign Exchange Earning through Remittances
- 49% of Export Earning and 8.83% of GDP
- Increasing Trends

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| Year | Remittance (US\$ Million) |
|---------|---------------------------|
| 1997-98 | 1525.43 |
| 1998-99 | 1705.74 |
| 1999-00 | 1949.32 |
| 2000-01 | 1882.10 |
| 2001-02 | 2503.44 |
| 2002-03 | 3060.31 |
| 2003-04 | 3372.49 |
| 2004-05 | 3848.30 |
| 2005-06 | 4801.88 |
| 2006-07 | 5978.47 |

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- Country of Origins

| Country | Remittance in Million US\$ |
|---------|----------------------------|
| KSA | 1735 |
| USA | 930 |
| UAE | 805 |
| Oman | 196 |
| Qatar | 233 |
| UK | 887 |
- Formal and Informal Channels of Remittances
- Utilization of Remittances
- Per Capita Remittance of Skilled and Professional Migrants

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Prospects for Migration

- Skill and Professional market Demand
- BSN in IUBAT—International University of Business Agriculture and Technology
- 2000 jobs in hand with \$45-65000 annual earnings + facilities
- 1 million Nurse Shortage in USA in coming Decade
- Peace keepers as Migrants with skill
- Bangladesh with Young Age has Advantage
- Develop Skill keeping eye to Int'l Labour Index

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IUBAT and KBAD

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- IUBAT Long term Vision for ICD
 - One technical / professional graduate from each village under KBAD as a step toward community self reliance
- Standing Policy not to deny access to education to any qualified and motivated candidate under different financing schemes:
 - Scholarship
 - Grant
 - Fee Waiver
 - Deferred Payment
 - Campus Job
 - Student Loan
- Arrangement institutionalized through creation of an educational cooperative,

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IUBAT Multipurpose Cooperative Society Ltd (IMCSL)

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- Capital base of 50 million taka (US\$0.72 million) divided into 5,00,000 shares of Tk 100 each
- Objective to mobilize fund for educational loan and scholarship
- Prelude to establishment of Educational Bank
- Establishment of Financial Assistance Fund (FAF) to provide service charge free educational loans
- Career Development Loans granted from IMCSL or FAF with repayment provision after graduation and employment on monthly installments consistent with earning potential of the qualification
- Limited practice of KBAD, expansion to each area for marketable skills on self financing or in combination of family finance, scholarship, grant and loan.

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Extending KBAD

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- Operationalization through each educated member of the community and individuals concerned with social development and ICD.
- Motivate one qualified candidate from his/her place of birth to enroll in professional programs
- Development of Intellectual Capital by IUBAT through providing higher education in the areas of business administration, computer science, engineering (computer, civil, mechanical, electrical), agriculture, economics, hospitality and tourism and nursing

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Conclusion



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- KBAD is a bold attempt to prepare a section of society to break out of poverty and enter into an era of prosperity through ICD
- KBAD will require considerable capital resource and institutional infra-structure, but it is doable even on self-help basis
- Participation by every educational beneficiary in KBAD will help in creating a prosperous society
- KBAD will pave the way for advancement in developing societies




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LONG RUN ACHIEVEMENT

– A Self Sustained Program of Community Self
Reliance Based on Knowledge and Skill

A PROSPEROUS and PEACEFUL NATION
through ICD



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