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# INDIA AN EMERGING KNOWLEDGE BASED ECONOMY

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## Abstract :-

The science of economics owes its origin to one of the basic questions that has always agitated the minds of human beings. This question is what makes a country rich or poor? It may be recalled that it was as an answer to this basic question that Adam Smith, the father of economics, wrote his famous book entitled, "An Enquiry into Nature and Causes of Wealth of Nations". It is now accepted throughout the world that the publication of this book in the year 1776 gave birth to the modern economic science. The answer to this basic question has changed with the scholars and with the change of time and place. This paper investigates India as Knowledge Based Economic Superpower.

## Emergence of Knowledge as the New and the Most Important Factor of Production :

Since last few decades it has been universally acknowledged that knowledge plays the most important role in making a country rich or poor. A cursory glance at the progress and prosperity of the western economies makes it amply clear that their progress and prosperity is entirely due to the fact that their economies are knowledge based. These economies have made a very systematic use of the knowledge in developing all walks of life including production and exchange of goods and services, warfare, adventure, exploration, politics. It is because of this fact that an average citizen in these countries is leading a comfortable and well organized life.

It has been proved beyond doubt that only presence of abundant natural resources cannot make a country rich in the sense of providing a very high standard of living to an average citizen. If it was so, many countries of Africa, South America and countries like India and other countries of Asia would have been very rich, because in most of these countries there is no dearth of natural resources. Similarly, the abundance of manpower also does not make a country rich. If it was so, countries like China and India, in which there is abundance of population would have come at the top so far as the higher standard of living of their citizens is concerned. The case is otherwise. In these countries there is mass poverty and an average citizen is devoid of the basic necessities of life.

The natural resources need a proper exploitation. Human resources need appropriate grooming. Proper exploitation of natural resources and appropriate grooming of human resources to make them efficient instruments of

production of goods and services require knowledge. It is the proper use of knowledge which can enable the country to use its natural resources and human resources in proper way so as to raise the standard of living of the people in general. Knowledge is thus considered as the most important input in the progress and prosperity of country. It is the tool in proper exploitation of natural resources and grooming of manpower. At the same time knowledge in itself has become important trading goods. These trading goods have very favorable terms of trade. All debates and controversies on issues like intellectual property right are based on this understanding.

## Knowledge Based Economy: Role of Universities

The knowledge based economy is one in which all activities including economic, political, social, defense etc. are based on proper understanding and proper and effective use of knowledge. The factory of all knowledge in the ultimate analysis is the university system of a country. It is in the university system that new knowledge is generated, existing knowledge is dug out, and existing knowledge is given new interpretation and shape. It is in this system that knowledge is stored. It is through this system that knowledge is transmitted to new generation and converted as tools for various uses in the society. In brief it is the sound university system and university education that converts a society as knowledge based society.

In the years following independence India could not become knowledge based economy because it could not convert its university system into his its knowledge factory as mentioned above. This has adversely affected the pace of development and the quality of life of an average Indian. Thus, mass poverty and mismanagement in Indian life persists, notwithstanding the fact that half-century of independence is over. There are many reasons for this. They need exposition here.

## Evolution of Universities in India

During the British rule, the Indian university system was devised with a specific purpose. The purpose was to aid and assist the imperial power and interests. No doubt this very university system devised by the British for a specific purpose did produce some eminent persons, but did not act as the knowledge factory as mentioned above. The Indian university system of the British period thus could not become an instrument of enriching the nation from all angles as has happened in the western economies. The legacy of British university system continued even