

INTRODUCTION

According to Mahbub Ul Haq, the founder of UNDP's famous Human Development Index, "The objective of development is to create an enabling environment for people to enjoy long, healthy and creative lives" (UNDP, 2010). Necessary levels of skills, knowledge and health are therefore, needed to be achieved in a society through investment in the people, which in turn, may contribute to creating a knowledge-based society. Collectively known as 'human capital', it is an essential precondition for improving governance and fostering growth and human wellbeing. As the global population is growing fast with mounting pressure on the provision of essential services and social security, the focus is gradually shifting towards the efficient utilization of human capital through the creation of a knowledge-based society ready for taking up the challenges of the 21st century.

It has been observed that countries that have been experiencing persistent growth in income have also been showing enhancements in the education and training of their labour forces. For instance, the outstanding economic growth of Japan, Singapore, Taiwan and other emerging Asian countries in recent years shows the importance of human capital growth (Becker, 1993; 2002). Appropriate policies in enriching human capital and their effective implantation, therefore, are essential for a country's sustainable growth and development.

Governance, on the other hand, has become a new buzzword of the twenty-first century (Chatterjee, 2004; Jessop, 1998). Kjaer (2006) defines governance as the capacity to define and implement policies. Rhodes (1996) suggests six different uses for the term 'governance': corporate governance, the new public management, good governance, socio-cybernetic systems, and self-organizing networks. According to World Bank (1992), which suggests the term 'good governance' as a mandatory component for its lending policy to developing countries, good governance involves

an efficient public service, an independent judicial system and legal framework to enforce contracts; the accountable administration of public funds; an independent public auditor, responsible to a representative legislature; respect for the law and human rights at all levels of government; a pluralistic institutional structure, and a free press.

In the Asia-Pacific, especially within its developing region, governance is fraught with a lot of problems including the lack of efficiency, transparency and responsiveness. It is argued that a knowledge-based society can be instrumental in combating these

problems. Enhanced skill levels among public employees would be able to improve efficiency, whereas an educated and knowledgeable society would create awareness about the society's needs and aspirations and the accountability of the public service to the society. Therefore, a clear understanding of causal links between enhanced human capital and good governance is imperative.

It is not easy to capture a comprehensive picture of the various issues that are likely to affect human capital and its relationship with good governance. From an Asia-Pacific perspective, this book has compiled a set of outstanding papers that have dealt with a number of key issues pertaining to human capital and good governance. The book is divided into three major sections. The first two sections deal with strategies for developing human capital and human resource management and capacity building. As higher education is increasingly becoming an instrument of advanced skill-development, countries around the world are increasingly emphasizing the enhancement of this important sector and constantly looking for avenues in improving this sector's national as well as international competitiveness. In this light, the third section of the book is dedicated to issues in higher education and its associated policy reforms. The book argues that an effective human capital policy which includes reform of the education system and the development of skilled human capital under the umbrella of good governance is likely to foster economic growth and enhance human well-being.

The first section of the book introduces several strategies for developing human capital from a selection of Asia Pacific countries. Norsiah Abdul Hamid and Haliman Badioze Zaman's paper looks at the Human Capital Indicators from a Malaysian perspective. The paper discusses the importance of these indicators in the development of a knowledge society. The authors argue that these indicators can be used for the development of a Malaysian Knowledge Society and act as a guideline for the government to streamline policy implementation, specifically in the context of human capital development. The study employed a survey questionnaire as an instrument for data collection. The study involves 450 respondents from three stakeholders in Malaysia, particularly officials from the public sector, the private sector and the NGOs. A total of 44 human capital indicators were proposed based on the review of literature and qualitative studies. These indicators consisted of four sub-dimensions, viz., education and training, skills, research and development, as well as knowledge sharing and dissemination. Results show that 15 indicators are perceived to be extremely important, while 29 indicators are relatively less important. The authors consider these indicators to be able to represent the human capital dimension in the development of Malaysia's Knowledge Society.

D.L Chamila Jayashantha and Puvaneswary Ponniah's paper deals with an interesting issue on the role of farmer field schools as a strategy to build human capital in the conflict affected Jaffna district of Sri Lanka. The paper starts with the introduction of a project called, "Local Initiatives For Tomorrow (LIFT)" implemented by CARE International in Sri Lanka. The paper tells a success story of creating human capital in a conflict affected region through this project. The project intended to strengthen community-level institutions supporting economic activity, employment creation and provision of basic social services in 32 villages in Jaffna district of Sri Lanka by 2008. Jaffna was directly affected by a three decade long ethnic war and the impact of the conflict is prominently visible in its socioeconomic, political and infrastructural domains. CARE expected to have an improved level of community participation in decision making and management of resources pertaining to their own development, while fulfilling service

requirements and livelihood needs. CARE believed that this could only be achieved through human capacity building and social empowerment. The Farmer Field Schools approach was adopted as the key strategy. The project ensured a wide array of training for the community ranging from basic agricultural training as a direct support for their main stay, agriculture, and also training for conflict resolution which aims at social empowerment. Despite numerous institutional and policy challenges, Farmer Field Schools now perform well not only to fulfil agricultural extension requirements within their communities, but also as effective conduits dealing with rural governance priorities. The paper examines the importance of identifying alternative human capacity building strategies to be implemented to restore livelihoods and subsequently to increase community involvement in resource management and decision making in conflict affected areas.

The third paper of this section is contributed by Eleanor E. Nicolas. Nicolas' paper underpins the important role of citizenship values education in strengthening human capital. The paper argues, as the value system of a society is inextricably intertwined with democracy and development, in a country where corruption and lack of trust and public confidence in its institutions are perceived to be pervasive, citizenship and values education could work as an antidote to these challenges. From a Filipino perspective, the paper emphasised the formation of multi-sectoral groups to identify and disseminate the idea of systemic and holistic approach to strengthening national values through measures that promote value formation and civic/citizenship education. This group convened three national congresses on good citizenship to generate a critical mass of advocates of good citizenship values. A significant number of people from academe, business, religious groups, and civil society organisations have become actively engaged in promoting citizenship values.

Aristeo C. Sapala's paper provides an overview of a blended learning approach based on the new Barangay development planning in the Philippines. Blended Learning (BL) is a combination of approaches to learning that promotes the readiness of graduate students to elevate knowledge to higher levels. This presents a challenge for professors teaching at the graduate level. Theory and direct application of such learning in a given span of time is a hard task to realize. The syllabus, in this regard, plays a vital role. Well-planned course curricula measure the output of the exercise at the end of the semester. This blended learning system is applied by graduate public administration students of the University of South-Eastern Philippines. The author considers such an innovative learning strategy to be able to positively impact on human capital and its use in improving governance.

T.N. Dhakal and Faraha Nawaz's paper deals with the strategy for improving human capital in Bangladesh and Nepal and its impact on women's empowerment. The paper argues that every nation needs to have its human capital developed to generate employment contributing to socio-economic transformation. Empowering women is an important component of this strategic objective. In two South Asian countries, Bangladesh and Nepal, governments have adopted inclusive policies to empower women by ensuring effective women's participation in the formulation, implementation, coordination, monitoring and evaluation of relevant policies and launching women targeted special programs. But in reality the findings show that despite government initiatives in these countries, women still lag behind in mainstream development. This paper discusses the major factors that are hindering the enhancement of human capital necessary for women's empowerment in these countries.

The paper by Eduardo T. Gonzalez poses a question on the ability of international migration to induce human capital investment and knowledge transfer. The paper scrutinizes the impact of international migration on human capital accumulation in the Philippines as a source country. As recent evidence suggests that international migration generates net fiscal and social benefits on those remaining behind, the paper finds a mixture of favourable effects and smaller gains. Remittances posted by Filipino migrants contribute to investments in health and education sectors. Greater competition for the "emigration slots" leads to increases in the country's stock of human capital. But the Philippines is clearly struggling with underdeveloped diaspora networks and inadequate support for returning migrants. The paper concludes with a note that the institutional environment of a "soft state" in the Philippines makes it hard to deal with these issues.

In the final paper of this section, *Mohd Raime Ramlan, Mohd Naimi Mohamed Noor, and Raudah Danila* have attempted to examine audit functions in institutions of higher learning. As financial statements are accepted as major sources of a company's financial position, the auditor is expected to enhance the quality of the financial report; its reliability, credibility and comparability through a proper and competent audit process. This study has selected students of higher learning institutions in Malaysia to examine how respondents actually view the audit functions in terms of their importance and effectiveness. The descriptive technique employed statistically indicated that all audit functions were perceived as important and effective. For perceived importance, the findings indicated that the students expected auditors to enhance the reliability of financial statements and ensure that reports are prepared in accordance with Generally Accepted Accounting Principles (GAAP) and sufficiently carry out valuation of company liabilities. In terms of effectiveness, they agree that the auditors have effectively delivered audit functions such as performing an independent opinion of the financial report.

The second section of the book appraises issues concerning human resource management and capacity building. The first paper of the section by *Ishtiaq Jamil and Pranab Panday* examines an important issue pertaining to the impact of political loyalty on academic standards in higher education institutions in Bangladesh. The paper highlights the negative impact of undue political influence on higher educational institutions in Bangladesh. The paper analyzes how politics impedes academic standards and quality through nepotism, lobbying, and other political activities under different political banners. Findings from the study of a public university - *Rajshahi University* - reveal that recruitment of fresh teachers as well as career advancement is an occasion where political loyalty of candidates plays an important role in the recruitment process. Candidates with strong affiliation to the political party in power have greater chances of recruitment than candidates with only excellent academic records. Political loyalty reigns over academic qualifications compromising the quality of staffing and service delivery and negatively affecting knowledge creation and dissemination.

The paper by *Lipi Mukhopadhyay* emphasizes the importance of building self-efficacy and resilience as a catalyst to create positive governance. The author argues that positive emotion and resilience may systematically enhance human capabilities. From the social-cognitive perspective, one's sense of self-efficacy, which is determined by an array of personal, social, and environmental factors, may be changed not only to influence one's level of self-efficacy, but also to affect subsequent performance on significant tasks. Accordingly, resilient people need to be able to solve problem with a calm, confident sense of being able to overcome adversity. They need to approach challenges with learning

agility: the ability to learn from each experience, positive or negative. These characteristics, according to Mukhopadhyay, could be identified and utilized in creating a positive atmosphere for development of good governance.

Sheila Rai, in her paper, "Empowerment of Women through Education: Innovative Policy Interventions in Rajasthan", highlights the non-negotiable nature of education for women and its importance in transition towards knowledge based development and well being. As a critical component of the Millennium Development Goals, it is increasingly important to consider what must be done to help women and girls not simply to get by, but to emerge empowered and thrive. The paper strongly pleads for greater investment by governments and international development agencies in enhancing girls' education to achieve gender equality and women's empowerment. Based on Rajasthan, this paper attempts to assess the interventionist role of the state and its resultant impact on the actual status of women's education.

The paper by S.M.S Hoque and Fatima-Tu-Zohra Binte draws on an interesting topic for discussion. Based on evidence from the Bangladesh civil service, the paper highlights how human capital in e-government techniques and literacy is achieved in a country such as Bangladesh. The authors argue that, as public servants are the main drivers to implement e-government as a critical element on the 'supply side' of e-government applications, they need to accrue appropriate skills to understand, learn, use and disseminate such knowledge. The skills of public servants are also key to planning, designing and implementing any e-government initiative. Therefore, necessarily the workforce must be equipped with the right aptitude (skill) perception (understanding), attitude (desire) and to move with changes. In light of these criteria, the paper investigates the preparedness of the Bangladesh Civil Service (BCS) for e-government. In particular it deals with the groups of entry level, mid level and senior level public officials working in the BCS. The study reveals that regarding preparedness, members of the BCS show considerable strengths for e-government with respect to their interest and adaptability to new technologies. However, despite their levels of awareness and positive attitudes towards e-government they have low levels of ICT aptitude. Authors suggest more intensive and robust training and motivational programs within the civil service to provide efficient e-government services in Bangladesh.

Sylvia Yambem's paper deals with vocational education and participatory development in the North Eastern region of India that comprises the eight Indian states of Arunachal Pradesh, Assam, Manipur, Mizoram, Nagaland, Sikkim and Tripura. Home to about 3.9% of the total population of India, the region boasts of a literacy level higher than the national average of 68.5%. The state of Mizoram with 88.49% has the second highest literacy rate in the country, after Kerala. However, this high literacy level does not translate to higher productivity or higher employability. To counter this dilemma, the North Eastern Region Vision 2020 proposed the adoption of vocational skill building and training based education within the framework of participatory development. The paper looks at two issues: the prevailing state of education and the participatory, development based vocational education and technical programme framework advocated. The paper highlights the paradox that a positive correlation between improved human capital and higher productivity and growth is not observed. It attempts to address the reasons behind this situation.

The third section of the book deliberates on issues in higher education and policy reforms. The paper by M. Abdul Wahhab examines the civil service recruitment policy in

Bangladesh and its reform agenda. The paper reveals that a sound and appropriate civil service recruitment policy does not exist in Bangladesh. Executive orders govern recruitment policy. Instead of merit, the existing recruitment policy gives emphasis to quotas and reserves the majority of posts for preferred groups. Likewise, ad hoc appointments also dominate civil service recruitment policy. Through quota and ad hoc appointments, the government politicises the civil service. The paper recommends the introduction of the principles of merit in civil service recruitment. It proposes the abolition of all types of quotas except for the tribal peoples. It also proposes the need to avoid ad hoc appointments. Since a single Public Service Commission is unable to hold competitive examinations regularly and on time, the paper suggests the establishment of more than one Public Service Commission. It also proposes to reform competitive examinations to avoid lengthy selection processes; and to minimize political pressures and corruption.

Suman Sharma's paper addresses the recent reform initiatives in the Indian higher education sector. Sharma, in her paper, has highlighted the critical importance of education in building human capital. She, however, argues that despite the historical ruling by the Indian Supreme Court in 1993 making the right to education inherent in the right to life, a serious and deep crisis still exists. This paper has made an attempt to evaluate India's efforts in reforming the higher education sector. However, it has not ignored the controversies that are going on surrounding the current and the future structures and agendas of the regulatory authority in shaping the higher education sector.

Based on perceptions of academia, the next paper deliberates on mechanisms to revamp higher education. In this paper, Baiju K. and Asha J.V highlight the importance of improving education and learning paradigms in light of new knowledge and information. Against this backdrop, this paper focuses on perceptions in academia of the key aspects of education which help in enhancing human capital through skill-building and knowledge-development leading to economic growth. The data were collected from 80 college teachers selected from two representative districts of Kerala, India through a questionnaire. The major challenges identified include difficulties in guaranteeing quality and the need to preserve national culture and identity, ensure that the government sets national policy objectives for higher education, and ensure equity of access to higher education.

Rumki Basu's paper encompasses an interesting dilemma within the higher education sector in India and poses a question as to whether higher education could be considered as a public good. While tertiary education is undergoing extensive expansion and diversification creating a large pool of educated people worldwide, India is facing an enormous shortage of employable talent and skills in diverse sectors of the economy. The biggest challenge the country faces is to impart marketable skills and competencies to the young so that they can meet the needs of a rapidly expanding economy. It is argued that the higher education policy agenda in India is judgmentally clouded in its policy imperatives by avoiding any systematic and strong measures on issues such as 'equality vs. quality', or 'merit criteria vs. 'social justice'.

Maria Clarisa R. Sia, in her paper, has drawn a higher education perspective on human rights based approach and governance principles. Sia argues that in a true democracy, effective governance and societal improvement are considered to be the core strategies in achieving development and enhancing standards of living. Mainstreaming and the application of a human-rights based approach to governance and development are considered to be important strategic tools to implement these strategies. Based on the

evidence of the University of the Philippines, the paper highlights the role of such institutions in building greater trust and confidence in political and administrative leaders.

In an intriguing paper, A.K. Malik has examined the issue of student mobility in Asia. Malik identified the phenomenon of increased student mobility from the developing world to the developed. However, he argues that in recent times intra-regional student mobility is also increasing. In East Asia and the Pacific, increased numbers of students are remaining in their own region. Foreign students are admitted for both educational and economic considerations. Keeping this in view, this paper explains the effects of home and host countries on institutions of higher education and of mobility of students. This is highlighted independently, describing factors determining the mobility, objectives and reasons for studying abroad and benefits of student exchange and exchange strategies across Asian countries. Finally, the paper discusses strategies to stimulate, maintain and widen intra-Asian educational interaction as a central feature of university level cooperation.

Finally, Amita Singh, in her stimulating and scholarly article, provides a dismal picture of the social and human conditions of the world's poor and disadvantaged and proposes necessary measures to alleviate poverty and inequality through imparting knowledge and skills among the downtrodden. She argues that without achieving equity and justice while enhancing human capital, the realisation of the Millennium Development Goals will be impossible.

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