

Chapter I

ROLE OF EDUCATION IN THE DEVELOPMENT PROCESS

After the second world war economists all over the world gave emphasis on economic analysis of education. Modern studies at present gives importance on education's investment nature and contribution to the growth of national economy and income distribution.

Since mid fifties modern economists have given serious attention to education. *Theodore Schultz* in his presidential address in *American Economic Association* in 1960 said first about the human investment revolution in economic thought and this revolution has clearly established the fact that education is for the most part an investment and an important component of human capital "as accumulation of Capital in general is necessary for economic progress, expansion of investment in education contributes to the accumulation of human capital and, in turn, to economic progress. And since education is capital in this sense, its equitable distribution maximises social welfare".(1)

Education is needed not only for economic development but for cultural and individual development. It has been observed that poor nations invest a lot of money in education with the idea that literate farmers will be more productive with even a least education such as - primary education than illiterate farmers. The trained craftsman and mechanics at least with little education will be able to keep up to date knowledge in their field of education. University students are needed to provide the professional expertise for both public and private sectors. People specially parents feel that education is necessary for their children so that they get well-paid jobs

and develop their solid career and through this children from poor family be able to escape from poverty.(2)

It has been observed because of demand and supply there is tremendous expenditures from the side of public on education during the last two decades. At present in all the countries of the world, national income and national budget spent on education is increasing. In Asia total public expenditures tripled during 1960s and 1970s. In Africa and Latin America, public educational expenditures more than doubled. In fact, the increase in public expenditure on education in 1960s and 1970s exceeded increases in any other sector of the economy. By the early 1980s educational budgets in many Third World nations were absorbing anywhere from 20 to 35% of total government recurrent expenditure. While this is a sizeable expenditure in terms of overall budget, developing nations nevertheless were spending only \$27 per capita on public education as opposed to \$428 per capita spent in the developed world.(3)

Before independence the British had made some investment in education though it safeguarded their own interests at the same time. After independence new concepts came into the field of education which gave emphasis on progressive role on education that is development on physical and human resources. The former gives importance on modernisation of agriculture and industrial concerns and the later gives emphasis not only on skilled workers side by side on new ways of life.(4)

The question of priorities also comes. In India with about 1/3 people living beneath poverty line about 10% registered and unregistered remaining unemployed, 60% people remaining illiterate (as in 1986) 1 crore 20 lakh highly educated people fleeing the land as NRI the question of proper motivated investment with emphasis on optimum returns is difficult. Then question comes on whether priorities be given on eradication of illiteracy and universal primary education or any other problems such as investment in Technical education which gives direct returns. Again cultural

27182

04 JAN 2000

Bangal University
Library
C/o KOLKATA

benefits derived from education may not be easily measured and that is why investment for capital formation cannot be taken as a sole aim. Per capita income increases due to labour, capital and infrastructure; so infrastructure of traditional societies should be changed by giving more productive facilities. Also balance should be maintained between growth of population and growth of income. Proper population education and family planning programme if imparted to male and female people it will definitely increase productive skill as well as urge of population control. Again balance is supposed to be maintained between production and consumption benefit. It is said consumption benefit in India surpass production benefit. Overemphasis is given in certain sectors such as engineering, technological and mechanical education to bring technically expert manpower but that is not giving us expected result and return because of slow growth of industrial development. Two decades ago it was found many Engineers mostly civil, remained unemployed for long. That is why many students at present prefer course on radio, electronic and mechanical engineering and computer science etc. instead of civil and electrical Engineering. But slowly in these branches also gradual increase of students is being observed. So proper investment in proper field should be emphasised otherwise it will lead to disequilibrium. (5)

It has also been seen that there are many instances of inequality in the field of education and because of this different returns comes from different groups of people such as rate of return are lower for the women and backward castes. However it is found out that there is (a) inequality in educational opportunities and which are observed in every field inspite of many government measures such as different type of scholarships, reservations in schools and colleges. "The co-efficient of inequality in education between sex-groups in India was estimated to be 42.8 per cent in 1971(Tilak 1975) and between caste groups 33.3 per cent (Nautiyal and Sharma 1979)".(6)

Another point should not be neglected that inequality is observed in the quality of schooling. We have dual schooling system such as missionary and private schools for privileged sections of the society and common or government school for the backward sections. In some areas special schools or Ashram schools for scheduled castes and tribes are found and it is needless to say that standard of these schools is very bad. It is also known fact that people belonging to different socio-economic strata have different levels of innate ability, motivation, social support etc. This in turn is bringing differential impact of ability and other factors on education and ultimately on earnings.

Inequality also has been observed in investment in education; the ratio on return depends on the size of investment. Both Government and private investment vary from different socio-economic groups of population. It is a known fact that the level of ability, socio-economic background, motivation etc. influence academic achievement which in turn effect economic attainment.(7)

The regional inequality is also observed in India. Some states are advanced educationally and again some states are not.

But proliferation of educational opportunities is needed in all the levels of education such as primary secondary University adult etc. and this will ultimately bring economic growth and will also create a group of expert labour; it will offer employment opportunities to many groups connected with schools such as building construction group, text book and paper printers, school uniform-makers, carpenters etc. class of educated leaders will come and fulfil the vacant post of the leaders and post of the government services, private services etc. and this way trained labour force in various directions will develop economic growth.

‘Economic development does not mean just industrialization or urbanization. The crucial identifying mark of economic development in the modern sense is how

far it has helped in the abolition of mass poverty and how much it has raised the standard of living of the masses. That is the significance of economic development'. (8)

For economic development planning is essential when in the early 1950 the foundations of plans laid in India, the word planning carried an idea of hope with it. People of India struggled for Independence to give shape to economic policy so that it could meet national needs and aspirations. 'Planning was expected to be the instrument both for clarification of national objectives in the economic sphere and for the fullest and fastest mobilisation of the country's latent resources.'(9)

Through educational planning Government tries to get the best result in the field of education to bring the contributions of education to the whole community.

India's national goals as envisaged by the planning commission are as follows :

The goals are (1) Free and compulsory education for all children in the age group 6-14. This would fulfil the constitutional obligation of universalisation of elementary education.

(2) Adoption of Hindi as the official language of the union.

(3) Consolidation of existing secondary and University education.

(4) Vocationalisation of secondary education.

(5) Expansion and qualitative improvement of technical education.

(6) Expansion of facilities for women's education, especially in the rural areas.

(7) Expansion of facilities for higher education in the rural areas.

(8) Training of teachers, especially women teachers and teachers for basic schools and improvement in their pay scales and conditions.

(9) Equalisation of opportunity - social, political, economic, educational - to all sections of the community.

(10) Adoption of democracy and realisation of democratic values.

- (11) Liquidation of mass illiteracy and spreading social and adult education.
- (12) Creation of a new social order based on justice and cultural freedom.
- (13) Rapid industrialisation of economy through the adoption of modern science and technology.
- (14) Adoption of socialism and minimum universal education for all children irrespective of caste creed and sex.(10)

Educational planning should try to improve all the sectors of education. Till 1976 education was a State subject but at present it was a concurrent responsibility. It has been observed that the budgetary allocation in the plans have increased gradually from First to Fourth Plan.(11) Regarding increase in the budgetary allocations in education Table 0.1,0.2,0.3 from 1st to 6th plan is presented in the pages 26,27 & 28.

Planning Commission always warns for maintaining economy in educational expenditure. It wanted to reduce wastage in different levels of education and utilizing every bit of money. It gave importance on having economical school buildings and equipment and their use throughout the day and throughout the year and their use by other concerns sharing facilities, improving procedure to utilise facilities and utilise financial help.(12)

It is to be mentioned that beside central grant U.G.C. finance University and College education but the state gives regular and ad-hoc grants to local bodies and private agencies. Five important categories of grant are there - beside proportional grant system. These are Deficit Grant, Salary grant, Capitation grant maintenance grant (which includes building grant, equipment grant, special grant etc.). Grants are given by the Government in aid of financing educational development and maintenance of institutions. Central Government gives grants to state governments or other bodies again by the state government to local bodies and private agencies

and by the local bodies to educational institutions. There is grant in aid rule, which is to be strictly maintained by all the institutions.(13)

Many problems are observed in the field of primary, secondary and University education. Another major problem is unemployment problem throughout India - side by side with population explosion. Economic development along with industrialization is a question of applied knowledge to transform the environment either with regard to social structures or with regard to patterns of investment necessary to economic development. If ideas of planning are relevant to the case of industry, they are relevant also to population control. Incentive for the parents to work hard is always children. But for that a large number of children is not necessary. It has been proved that in India per year, labour force has been growing more than three million but employment opportunity is nil. It is difficult to give employment to such a huge population. So reducing the rate of growth of population is the only solution. "Japan is an outstanding example of a country which has brought down birth rate in the post-war period sharply; yet the Japanese have not lost the incentive to hard work."(14) The basic problem observed in primary and secondary education is 70% of the children in LDS attend school in rural areas and over 80% of these children are earning directly from the land or from unskilled agricultural work or paid employment in rural areas. No technical education is given to them such as farming practices, management hygiene, nutrition and community development. Primary schools attempt to prepare students for secondary school and secondary school in turn prepare students for College education. (No importance given to develop problem solving and thinking attitude) Problem of wastage and stagnation is very common. 'For a variety of economic and social reasons over 25% of the children who enter primary school dropout every first year, with an additional 10% dropping out the following year.

- (b) Approximately 50% of those who enter the first class of primary school are unlikely to complete four years.
- (c) Less than 10% of those who enter primary school are likely to succeed in reaching secondary school, even though 25-30% of the original entrants might complete the primary cycle.
- (d) Of those who do get to secondary school less than 60% are likely to complete the course (the ratio is much lower in Africa) and only 20% will proceed to a University.
- (e) For those who do make it through secondary school but do not continue on the probability of finding a job in the modern sector (toward which their secondary education has been oriented) gets lower with each passing year.'(15)

Secondary education should be regarded as terminal point for a large no. of students who enter into economic activities but the point is, the students are not thoroughly ready for any job where skill is required. Though agriculture is regarded as very important profession post elementary course on agriculture is not provided in any school except Maharashtra where 33 schools with 3600 pupils are found. However, at present in India some Industrial Training Institutions are catering to the need of the students. A large no. goes to University and another large section drops out. Our system of education is not preparing students for employment nor for higher education and thus bringing economic waste.(16)

University is regarded as the apex institution but Higher education in the LDCs is very much smaller world than primary and secondary education. Students in higher education make up less than 5% and teachers 8%. Many Colleges and professional schools cater to the needs of the students but many observers feel that Third world Universities are mal-adjusted and out of place with the real needs of development as the educational institutions in lower levels. In the West

through a very powerful traditions and professional disciplines Universities are structured since the Medieval period. This structure of departments or disciplines and their groupings or faculties was given importance and without modification introduced to all LDCs Universities without again thinking how the system suited the western world would solve the third world's problems.(17)

In our country University education needs to be modified it should give importance on economic demand. In the under-developed nations problem of unemployment in general and educated unemployment is a major problem. It has been observed in the developed nation University students employment is not a problem at all.

Employers goes after University students, whereas in India University students are running after suitable job opportunities. The reason is higher education does not provide opportunities for practical studies in practical field. Courses are limited scope of research is also limited. At the moment it has been observed there is great wastage of money and effort at the University level. In the underdeveloped countries emphasis given on international academic standard rather than contributing and developing the nation. President *Julius Nyerere of Tanzania* summed up the role of Universities in underdeveloped nations - "The University in a developing society must put the emphasis of its work on subjects of immediate moment to the nation in which it exists, and it must be committed to the people of that nation and their humanistic goals We in poor societies can only justify expenditure on a University - of any type - if it promotes real development of our people The role of a University in a developing nation is to contribute, to give ideas, manpower, and service for the furtherance of human equality, human dignity and human development." (18)

India did not pay any attention to adult education and that is why many developmental programme failed in our country. We want progressive farming,

progressive technology, progressive educational system and so in order to get all this the people must be in a position to read and write. If we want advanced knowledge and economic development we must ensure that every worker is in a position to read and write.(19)

It has been found that in India there is huge amount of wastage and stagnation in all the stages of education, it is more in the primary level though little less in the secondary and University level. This point needs proper analysis.

To bring improvement in all the fields of education a sound policy of education is needed which relates "education to economic development avoids wastage, applies some kind of functional criteria to educational investment, links up products with requirements and establishes the right relationship between demand and supply."(20)

However, it is to be remembered that although economic demand is an important determinant of educational policy and direction it could not be and should not be the only determinant. We may have to take note of the economic conditions prevailing at the moment, but other social, cultural and spiritually desirable objectives should not be lost sight of(21)

SUMMARY

Modern economists at present give importance on investment nature of education and contribution to the growth of national economy and distribution of income.

Economists have come to the conclusion that education is for the most part an investment and an important component of human capital.

Education is needed not only for economic development but for cultural and individual development. The poor nation invests money with the idea that literate

farmers, mechanics, craftsman will be more productive with at least little education. Parents feel that education is necessary for secured job. At present in all the countries of the world the national income and national budget is highest in education.

By the early 1980s educational budgets in many third world nations were absorbing anywhere from 20% to 35% of total Government recurrent expenditure. British had made some investment in education in India for their own interest but after independence emphasis was given on progressive role of education that is physical and human resource development such as bringing modernisation in agriculture and industrial concerns, developing skilled workers also developing new ways of life.

A very important question comes that is question of priorities such as on which field importance should be given eradication of illiteracy or universal primary education or investment in technical education which gives direct returns.

Cultural benefits also is very important so forming capital cannot be taken as a sole aim, labour, capital, infra-structure having productive facilities is very important but here balance should be maintained between growth of population and growth of income. To develop consciousness population education and family planning programme should be imparted to people throughout the country.

In our country due to slow growth of industrial sectors over- emphasis in Engineering, technological and mechanical education would not bring expected results and returns. Many students at present prefer courses on radio, electronic, mechanical and computer Engineering course etc. But these sectors are also becoming crowded. So proper investment in proper field should be emphasised to avoid disequilibrium.

Inequality is observed in many fields such as even after taking many measures such as scholarships, reservations in schools and Colleges, inequalities are observed in case of caste and sex-group. Inequality is observed in the quality of

schooling such as private and missionary schools for the privileged class and common and government school for the common class of students.

Both Government and private investment vary for different socio-economic groups of population. The regional inequality is also observed such as some states are advanced educationally and some states are less and little advanced.

However, proliferation of educational opportunity is needed because it gives employment opportunities to building construction group, text book, paper printers, carpenters, school uniform-makers etc. Development of education will bring leadership in all the field government and private which will help to develop economic growth in a country and this is needed to abolish poverty and raising the standard of living. In 1950 the foundations of plans laid in India. Through planning specially educational planning government tries to get the best result in the field of education. For different plan heads and heads of education such as primary, secondary and University education and adult education has been gradually increasing the budgetary allocation. Beside central grant U.G.C. finance University and College education but the state gives regular and ad-hoc grants to local bodies and private agencies. However, not only through grant but through proper supervision and academic-vocational guidance different fields of education should be improved.

A sound policy of education is needed which would apply some kind of functional criteria to educational investment, links up product with requirements and establishes the right relationship between demand and supply. But economic condition is not only the determinant of educational policy and direction other social, cultural and spiritually desirable objectives should not be neglected.

Table 0.1

*First, Second, Third and Fourth Five year plans, Government of India,
Planning Commission.*

<u>Heads</u>	<u>First Plan</u> 1951-56		<u>Second Plan</u> 1956-61		<u>Third Plan</u> 1961-66		<u>Fourth Plan</u> 1966-71	
	Expen- diture	Percen- tage of total	Expen- diture	Percen- tage of total	Expen- diture	Percen- tage of total	Expen- diture	Percen- tage total
Elementary Education	82.80	55.5	92.39	33.6	180.00	36.0	322.00	26.6
Secondary Education	20.20	13.2	50.87	18.5	90.00	18.0	243.00	20.2
University Education	13.70	8.9	45.39	16.5	75.00	15.0	175.00	14.5
Technical Education	20.20	13.2	52.28	19.0	130.00	26.0	253.00	20.9
Other schemes of Education	14.00	9.2	34.07	12.4	25.00	5.0	217.00	17.8
<u>Total</u>	<u>152.90</u>	<u>100.0</u>	<u>275.00</u>	<u>100.0</u>	<u>500.00</u>	<u>100.0</u>	<u>210.00</u>	<u>100.0</u>

Source : 'Financing of Indian Education' by Atmanand Misra in Chapter VII, p.272,
Table 8.

5th Plan (0.2)*(Rs. in crores)*

	Likely <u>expenditure</u>	Proposed <u> </u>	Proposed Fifth Plan <u>Outlays</u>
	1974-77	1977-79	
Elementary Education	180	230	410
Secondary Education	111	139	250
University Education	140	152	292
Special Education	9	9	18
Other programmes	57	65	122
Total (general education)	497	595	1,092
Technical Education	75	81	156
Art & Culture	16	21	37
Total Education	588	697	1,285

Source : Fifth Five Year Plan Government of India Planning Commission, 1976, p.75-78. Incorporated in the Milestones in Modern Indian Education - Chapter XXXVIII, pp.434-435. by B. R. PURKAIT.

Table 0.3

6th Plan Outlay for Education and Culture

<u>Sub-head</u>	<u>States & Union</u>	<u>Centre</u>	<u>Total</u>
1. Early childhood & Elementary Education	851.07	54.30	905.37
2. Secondary Education	370.00	28.01	398.01
3. Teachewr Education	22.00	00	22.00
4. University & Higher edn.	197.00	288.75	485.75
5. Adult Education	68.00	60.00	128.00
6. Physical Edn. Sports Games & Youth Welfare	69.00	24.54	93.54
7. Other programmes Sub-Total General Edn.	1,646.48	515.75	2,162.23
8. Art & Culture	32.90	51.00	83.90
9. Technical Education	109.61	168.00	277.61
	<u>1,788.90</u>	<u>734.75</u>	<u>2,523.74</u>

Source : Sixth Five Year Plan (1980-85), Government of India Planning Commission, ~~====~~ Incorporated in the Milestones in Modern Indian Education - Chapter XXXVIII, pp.436. by B. R. PURKAIT.


References

- 1 Tilak, J.B.J. The Economics of Inequality in Education. Sage Publications, New Delhi, First Edition, 1987, Introduction, p.18.
- 2 Todaro Michael P. Economic Development in the Third World. Orient Longman Ltd., New Delhi, Third edition, 1989, Chapter II Pages 327-29.
- 3 Ibid.
- 4 Banerjee, J.P. Education in India Past, Present. Future Educational Administration, Finance & Planning, Vol.II, Central Library, Calcutta-73, Page 253.
- 5 Op.cit., Banerjee, J.P., Vol.11, Pages 255-57.
- 6 Op.cit., Tilak, J.B.J., pp.22-23.
- 7 Op.cit., Tilak, J.B.J., pp.23-24.
- 8 Op.cit., Banerjee, J.P., 238.
- 9 Bhattacharyya, Dhires, India's Five Year Plans, An Economic Analysis, Joydurga Library, Calcutta-700009. Revised Eleventh Edition 1996, Chapter I, p.1.
- 10 Purkait Biswa Ranjan, Milestones in Modern Indian Education, New Central Book Agency (P) Ltd., 2nd Edition, 1997, Chapter XXXVIII, p.422.
- 11 Misra, Atmanand, The Financing of Indian Education, Asia Publishing House, First Edition, 1967, Chapter VII, p.272.
- 12 Op.cit., Misra Atmanand, p.287.
- 13 Op.cit. Misra, Atmanand, pp.248,249,252,254-59.
- 14 Dutta, Amlan, Discussion Analysis of Economic Growth, in Amlan Dutta edited - Paths to Economic Growth, Allied Publishers, Chittaranjan Avenue, Calcutta, First Edition, Year 1962, PP.334-35.
- 15 Op.cit., Todaro Michael P., p.333.
- 16 Op.cit., Banerjee, J.P., Vol.II, pp.243-44.
- 17 Op.cit., Todaro-Michael P., Vol.II, pp.334-35.

- 18 Op.cit., Todaro-Michael P.,p.334.
 19 Op.cit., Banerjee, J.P., Vol.II,pp.241-42.
 20 Op.cit., Banerjee, J.P., Vol.II,p.249.
 21 Op.cit., Banerjee,J.P.,Vol.II,p.248.

Table 0.1 First, Second, Third, Fourth Five Year Plans, Government of India
 Planning Commission, Incorporated in the Financing of Indian Education
 by Misra Atmanand in Chapter VII,p.272,Table 8.

Table 0.2 Fifth Five Year Plan (1974-79), Government of India Planning
 Commission 1976, pp.75-78, Incorporated in the Milestones in Modern
 Indian Education - Chapter XXXVIII, pp.436. *by B. R. PURKAIT.*

Table 0.3 Sixth Five Year Plan (198-85), Government of India Planning
 Commission,  Incorporated in the Milestones in Modern Indian
 Education - Chapter XXXVIII,pp.436. *by B. R. PURKAIT.*

.....