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## Planning and Financing

### Development of Human Resources

The Kothari Commission thinks that of the two programmes i.e. the Development of Physical Resources and the Development of Human Resources, it is the latter programme the development of which through Education is the crucial one. The Commission further observes, "while the development of Physical resources is a means to an end, that of human resources is an end in itself, and without it, even the adequate development of Physical resources, is not possible.

The reason for this is clear. The realisation of the country's aspiration involves changes in the knowledge, skills, interests and values of the people as a whole. This is basic to every programme of social and economic betterment of which India stands in need. For instance, there can be no hope of making the country self-sufficient in food unless the farmer himself is moved out of his age-long conservatism through a science-based education and become interested experimentation, and is ready to adopt techniques that increase, fields in the same is true of Industry. The skilled manpower needed for the relevant research and its systematic application to agriculture Industry and other sectors of life can only come from the development of scientific and technological education. Similarly economic growth is not a matter of physical resources or of trained skilled workers, it needs the education of the whole population in new ways of life, thought

and work. Robert Heilbroner describes the journey to economic development undertaken by a traditional society as the 'great ascent' and points out that the essential condition for its success is human 'change on a grand scale'. He observes: The mere laying-in of a core of capital equipment indispensable as that is for further economic expansion, does not yet catalyse a tradition bound society into a modern one. For that catalysis to take place, nothing short of a pervasive social transformation will suffice, a wholesale metamorphosis of habits, a wrenching reorientation of values concerning time, status, money and work, and an unweaving and reweaving of the fabric of daily existence itself. These observations are applicable to advances on the social, political and cultural fronts as well."

The Kothari Commission has stressed the need to pay due attention to the relationship between enrolment and manpower requirements. "If India is to achieve its targets of economic growth it must have an adequate supply of educated specialists for each category of job to be performed. Conversely, if there is an excess of trained people in any category, it implies an imprudent use of scarce resources and also creates difficult problems of unemployment of the educated. Even from the point of view of the individual, some matching of educational patterns and job opportunities is vital. Nothing is more frustrating than to be under-qualified or overqualified for a job, or to be unemployed because there is no call for one's qualifications. We believe, therefore, that estimates of future manpower needs form a useful basis for regulating enrolment patterns above the primary level"

#### Machinery for Manpower Planning

The Education Commission has suggested the following machinery:

1. At the *national* level the Planning Commission which is responsible for preparing estimates of manpower requirements in all sectors of national development should set up a Standing Committee for Manpower. Its main responsibility should be to prepare and revise, from time to time, manpower forecasts for the overall output of the educational system as well as for different categories of specialists.

At the *State* level, it may be desirable to set up State Committees on Manpower on the broad lines of the Standing Committee for Manpower at the Centre and having similar functions and responsibilities.

*Relating Manpower Estimates to Output of Educational Institutions.* The Commission feels that the following measures will have to be taken to relate the output of the educational system to manpower needs:

1. *National Level* Planning at the national level should be done by the Centre in consultation with the States and should cover all sectors crucial for national development, where the mobility of trained personnel is or should be high, where it is very costly to set up institutions for training personnel or where the very high level staff required for such institutions is in short supply. These should include engineering, agricultural and medical education, and the preparation of teachers for higher education.
2. *State Level.* The planning of the remaining sectors should be done at the *State* level by State Governments. The planning of facilities in secondary and higher education (excluding the sectors for which planning would be done at the Central level) should be done at the State level.
3. Vocational Education both, of school and college standard, will have to be expanded in all areas on a priority basis in keeping with manpower needs.
4. For enrolments in general education, however, which is underdeveloped in some areas and over-developed in others, a policy of equalisation will have to be adopted. Decisions will have to be made by each State in view of its conditions; but as a general basis, the following may be suggested:
  - (a) In all areas where the level of expansion reached is below the national average 1966, steps should be taken to promote expansion;
  - (b) In all areas where the level of expansion reached is

about equal to the national average expected in 1986, a restrictive policy should be adopted, unless there are special reasons to the contrary;

- (c) It will be for the Government of India to suggest the targets to be reached from time to time, at the State level. State Governments may, in their turn, indicate suitable targets at the district level;
- (d) The planning of higher education should be done on a State basis. All universities in the State should be involved in this. Each university should be required to prepare a five-year plan of the facilities to be provided in all its teaching departments and affiliated colleges and the output there from and these should be approved after bringing them into accord with manpower needs. In granting affiliations or expanding their departments, the universities should be required to follow these plans.
- (e) It is also essential to have an authority at the district level which can plan all school education. This authority will plan in the light of general directives given from the Centre and State. In order to assist in its work, *local* studies of manpower needs, etc., will have to be carried out.

### **Need for a Wider Perspective**

The basic problem of human resource development can be solved only against a wider perspective. From this point of view, it is necessary to formulate and implement integrated plans which will have three objectives:

- to reduce the birth-rate to about half in a planned programme of 10-15 years;
- to bring about a very rapid economic development in such a manner that there would be a job for every young man or woman who enters the labour force; and
- to provide such education to the young boys and girls as will qualify them, by having a specific job to do, to participate effectively in the national development programmes.

"Such plans are needed at the National State and even district level. Their preparation and implementation is the responsibility of the Government—Central, State and Local. It is only in the wider perspective of such plans that the problem of educational planning can be successfully solved."

*Merits :*

1. The Education Commission has very aptly pointed out the role of education in checking and removing unemployment in the country.
2. It has stressed that if India is to achieve its target of economic growth, it must have an adequate supply of educated specialists for each category of job to be performed. It pointed out that the estimates of future manpower needs form a useful basis for regulating patterns of education above the primary level. The Commission suggested a progressive educational policy which is intended to supply a sufficient number of educated persons in different branches of knowledge and technology so that economic development is not held back for want of trained personnel.

We might do well to remember the warning of White-Head, "In the modern world the rule is absolute any race which does not value trained intelligence is doomed. It is absolutely essential to make the proper utilisation of our manpower.

*The Criticism of the Recommendation.* The recommendation of the Commission to adopt selective admissions to higher secondary and university education in order to bridge the gap between the public demand and available facilities has not found favour with some educationists and statesmen who regard it as denial of equal opportunity to millions of students. This recommendation, they think, is not in conformity with democratic values and principles.

**Importance of the Problem**

Education is one of the most important enterprises of a nation. Educational programmes of a nation involve an enormous amount

and make a considerable claim on the country's financial resources. The major issues involved in the expenditure are:

1. What should be the total level of financial support for education at all levels to ensure achievement of national goals and rapid advancement of national economy, cohesion and security?
2. What judgement and guidelines can be formulated, and with what degree of reliability and confidence, about the distribution of funds between different levels or stages of education (including research) and different sectors within a level?
3. Although quality and quantity are inseparable, what proportions of the total resources should be broadly devoted to improvement of quality and consolidation and to the expansion of education.
4. What should be the respective role of the Central Government, State Governments, Local Boards and the local community in financing education?
5. How could we make the optimum utilisation of the money spent on education.

#### Sources of **Expenditure**

The Education Commission has made the following observations:

*Ninety Percent Funds from Government Sources.* What would be the probable developments relating to sources of educational expenditure in the next 20 years? The responsibility for the financing of education at all stages is falling increasingly on government funds (Central and State). This trend will increase in the future. The total revenue from fees will be considerably reduced when, education up to the end of the lower secondary stage is made tuition-free and a much larger provision of free studentship is made in higher secondary and university education to meet the need of the young persons from the underprivileged sections of society who are now coming into the universities and colleges. Similarly, the income from other sources would not rise in proportion to the increase in total educational expenditure. The

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local authorities also may not be able to provide more than a very small percentage of the total expenditure, even after they have made the best effort to raise their contribution. Taking an overall view of the situation, therefore, it appears that the funds of the Central and State Governments would have to bear about 90 per cent (or even more) of the total educational expenditure.

*Contribution of Local Communities.* The local communities should be closely associated with all government and local authority schools and that a school fund should be established in every school to meet the whole or part of the non-teacher costs. As part of the organisation of a nation-wide programme of school improvement, the assistance of the local communities should be fully harnessed for improving the physical facilities in schools.

*Contribution of Local Authorities.* The local authorities—municipalities and zila parishads—will be able to make a fair contribution in support of educational development. In our opinion, it would be possible to maximise these contributions if suitable system of grant-in-aid is adopted.

*Contribution of Voluntary Organisations.* The voluntary organisations conducting educational institutions are also making a contribution to total educational expenditure. This can be stimulated and utilised for the purpose of development through appropriate policies of grant-in-aid.

*Estimate of Resources Likely to be Available for Education During the Next Twenty Years.* We should broadly work towards increasing the educational expenditure *per capita*, in a period of 20 years, to between 4 and 5 times the present level of Rs. 12 (at constant prices).

### Suggestions to Finance Educational Programmes

1. If education is to develop adequately, educational expenditure in the next 20 years should rise from Rs. 12 per capita in 1965-66 to Rs. 54 in 1985-86 (at constant prices). This implies that the educational expenditure, which increased from Rs. 1,144 millions in 1950-51 to Rs. 6,000 millions in 1965-66, will further rise to Rs. 40,364 millions in 1985-86.

2. While the broad pattern of educational expenditure in the different sectors of education during the next two or three decades will be to devote two-thirds of the available resources to school education and one-third to higher education, the relative emphasis on programmes should change from decade to decade as follows:
  - (a) From 1965 to 1975, the relative emphasis should be on a larger expenditure at the school stage. This will be necessary in order (i) to upgrade the salaries of school teachers; (ii) to transfer the PUC and the Intermediate classes from the University to the school stage; (iii) to provide at least five years of effective education to all children; and (iv) to vocationalise secondary education.
  - (b) The programmes to be emphasised during the decade 1975 to 1985 will include the provision of 7 years of effective primary education, addition of one year to the school stage and vocationalisation of secondary education. During this decade, emphasis should begin to shift in favour of higher education.
  - (c) After 1985, there will be increased emphasis on the development of higher education and research.
3. Although most of the responsibility for the support of education will be placed on governmental funds, a total centralisation of all financial responsibility for education in the Government will not be desirable. Attempt should, therefore, be made to raise contributions from local communities, voluntary organisations and local authorities for this purpose.
4. The assistance of the local community should be mobilised through the organisation of School Improvement Conferences for improving the physical facilities in schools.
5. In order to provide financial support to District School Boards, the Zila Parishads should raise funds for education by levying cess on land revenue. The State



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should prescribe the minimum rate of the levy and authorise the Zila Parishads to raise it a certain prescribed maximum.

6. The system of Grant-in-aid from the State Government to Zila Parishads should be reformed.

### *Evaluation of Recommendations*

Kothari Commission has suggested radical changes in the outlook of disbursing and allotment of grant-in-aid system.

The Commission has also highlighted the importance of locality and demands and the local contribution for the department of education according to local needs.

The Commission has rightly suggested that it is absolutely indispensable if a breakthrough is to be made in educational development there should be an increase of  $4\frac{1}{2}$  times in the per capita expenditure on education during the next twenty years.