CHAPTER - 1

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1.0. Overview

We are living in the information society. Libraries have been offering services on the strength of their collections, providing access facilities in anticipation of users' need. With the passage of time the information universe started to change and the established techniques in the library activities could not take the library profession to the desired position as the libraries are now moving beyond their traditional roles. But we should not discard the traditional activities and the only change should be in the skills of analog and digital. In spite of their unavoidable role and importance, libraries are non-profit making sections/organisations attached to institutions. However without proper resources (finance and skilled hands) no library can be developed and managed.

A human society is moulded by a network of multifarious institutional structure through which individuals co-ordinate their diverse wants and desires. This network of institutional structure, which is differentiated into historical, social, political, cultural and economic characteristic forms an "economy". Given these characteristics of an economy, individuals are governed by economic reasoning of decision making of any kind on the basis of cost and benefits.
Questions of resource allocation, cost benefit analysis and economic analysis which form an important basis for the study of any kind of economy make the concept of economy intimate with the study of ‘economy’.

By ‘library economy’ we mean “the practical application of library science to the funding, organising and administration of libraries”. Finance is the motive power. It is essential for running the government machinery properly. The information technology has brought a ‘new techno economic paradigm effecting the management and control of production and service systems through the economy based on inter connected set of radical innovations in electronic computers, software engineering, control systems, integrated circuits and telecommunications which have drastically reduced the cost of storing, processing, communicating and libraries are now moving beyond their traditional roles.

Up to the last few decades the economic situation was complex in Manipur. On the other hand the ‘Fifth law of library science’ indicates the growing attitude of library fully endorsing it as a spending institution. But, it does not have its own money because library is normally considered as a non-profit organisation. Development of an economy requires optimum allocation of and use of natural and un-natural resources (or inputs) in view of socially desirable objectives. In an economy as in Manipur, bringing people abreast of the times and providing equality of opportunity are the concerns of the time.
In attempting an unprecedented growth of the economy, economic and non-economic forces play intertwining roles. Knowledge about the growth and availability of resources while adopting and executing development plans assumes much significance. In a developing economy as that of Manipur, practical and institutional constraints produce lacunae in the process of development. So, it is necessary to make a study of 'library economy'. We must convince our authority that we are able to organize the library resources in a scientific way. Whatever resources the library has, should be organized nicely and clearly so that the library becomes a functional one through its internal organisation. We must convince our authority that library needs finance on a priority basis in order to be a functional one.

1.1. Studies on Library Economics: A Review

Surya and Malathi (1987), rightly suggested that libraries as well as other institutions and organisations in public and private sectors are faced with economic problems while allocating their limited resources in such a manner as to generate maximum benefit. In the enterprise, price input, budget allocation, cash-flow, unit cost and profit are the commonly used economic measures both for enterprise activity and performance achieved. *In the library and information unit this must be broadly analogous, even if the definition of some of the measures differ most notably the notion of*
profit, which may be replaced by measures of value, welfare and satisfaction.

Muthirulandi (2003) mentions that government and other funding bodies, while allocating funds for development/expansion of higher education should give priority to those institutions that have demonstrated a commitment to widening participation and success.

Imandar and Ramaih (1990) have highlighted that physical and other resources of a library depend upon the financial resources. A library starved of funds would never have a good building, necessary book collection and personnel.

Maheswarappa and Tadasad (2001) highlighted that the libraries of the future will be marked by the widespread use of computer technology, network communications, electronic publishing, hypermedia, multimedia etc. It has also been mentioned that the inadequate financial resources will be a bottleneck in the development of college libraries in India. Planning of financial resources requires a systematic study and review of existing situation.

Anand (1985) in his paper explained theories of library finance, problems and prospects. It was highlighted in his paper that finance plays a significant role in organisation and administration of a library.

Chalan (2003) drew attention to article 14 of the UNESCO declaration. It states that financing of higher education requires both public
and private resources. Public funding for support means that contribution of society to higher education must be strengthened to ensure the development of higher education, increase its efficiency and maintain its quality and relevance. However, public support for higher education and research also remains essential to ensure a balance. The action plan states that “States including their government, parliament and other decision makers, should establish appropriate framework for the reform and further development of higher education to ensure that higher education becomes accessible to all on the basis of meant”.

Gupta and Sahi (1986) explain that adequate finance is vital for the satisfactory running of any kind of library. They also explain about the budget, how to prepare library budget etc.

Bender (1979) was concerned with the allocation of available funds, rather than collection development, in public libraries serving population of over 50,000. Libraries serving less than 50,000 are excluded because their budgets are too small to include allocation for collection development and they must concentrate on the maximum amount of books and materials, necessary to stock the library.

Nandini Dutta (1998) explains the need for resource generation in academic libraries. It is rightly mentioned that because of inadequate funding by the government, the major financier of higher and technical education, most universities are not in a position to ensure even a minimum
in terms of laboratory, library and other facilities. This paper restricts itself only to the study of the practice of charging fees for consultation of the library resources.

Varalakshmi (1997) studies about pricing strategies, its problems and solutions. It discusses that how libraries become growing organisms and the problems faced by them and how to solve them.

Kalra (2000) discussed the reasons for the deficiencies in higher services and summarised them. In conclusion it is recommended that Federal and state Government should grant financial support to the libraries.

Shrivastava (1999) suggests that the UGC should provide financial assistance to develop adequate infrastructure facilities in LIS (Library and Information Science) schools.

Vicky (1998) clearly mentioned that modern academic and other libraries must function within a budgetary and policy framework that is dimensionally broader than the traditional library/University administration.

As such, while many of the traditional problems of library funding and programmes remain to be faced, new ones must be taken into account. Among them it is the library’s position as perhaps the most funded and easily shared resource within a state-wide system.

Ijari (1986) attempts to show the amount of library cess collected by public libraries. He mentions that for an established organisation, effective promotion of its objectives depends upon sufficient funds made available to
it regularly. Finance is thus the backbone for the growth and development of the organisation.

Pichuraman and Gopalakrishna (1985) investigate the impact of hike in subscription rates, fluctuation of foreign currencies for subscription of periodicals and predict the cost trend of periodicals on the basis of statistical technique at the end of this decade and the century. And they have examined the ways and means to avoid duplication within the same region, to communicate content pages of important periodicals among libraries and to loan to other libraries the periodicals of their interest.

Reddy and Suseela (1995) attempt to highlight the problem of periodical prices increase and the indiscriminate pricing policies. They suggest that the individual libraries should strive to generate additional financial resources in the form of gifts, donations, etc.

Sharma (1992) discussed the problems created by the increasing cost of documents, limited fund allocation, space problem and measures to meet the situation i.e. weeding out of unused journals, interlibrary loan, resource sharing basic etc. He concluded that of the libraries should adopt these measures and put them into affective use so that the library budget can be reduced.

Barman (2000) studies the historical perspective of library economics, factors effecting information services and how to improve them. He also mentions that in formation is regarded as an essential commodity.
No civilised society can afford to live without information. He suggests that the library authority should be able to convince the management about the ultimate benefits of proper information services.

Upadhyay (2006) in a study of the financial problems faced by the libraries suggests their probable solutions. He mentions that university and college libraries are considered as non-profit organisations. All the services are usually provided free to their users. Due to scarcity of financial resources, librarians are forced to charge for services. To solve the financial problems, two new approaches emerged in the field of financial management i.e. Outsourcing and Resource mobilisation. He mentions that these two new approaches would be very helpful in solving the financial crises facing academic education in India.

Sharma (1980) describes the pricing technique adopted by publishers to fix price of a book. He mentions that libraries are public institution and cannot depend upon their income as it is always meager (i.e. main heads: (i) membership fee, (ii) over due charges). Need-based grants are the only criteria that can be practical. The author suggests that for continued balanced developmental approach in future years, the current year after adjustment should be reckoned as the base year and the library grants should be increased to the tune of four times the percentage increase in general price index.
According to Navalani and Sehgal (1998), education and libraries play a significant role in bringing about qualitative improvement in human resources. The National Policy on Education rightly states that higher education provides people with an opportunity to reflect on critical social, economic, cultural, moral and spiritual issues facing the humanity. He mentions that the finance plays a vital role in the growth and development of university libraries. Consequently, various commissions and committees on higher education and libraries have considered this factor from time to time. He discusses about the financing of some university libraries in India. He concludes that out of 25 states in India, some data about finances of university libraries of 7 states are available. Some have taken only a five-year period while some have collected information for a long period.

Satish (1989) in a study discusses major financial constraints and possible solutions for effective functioning of the public library system in Andhra Pradesh. He mentions that the government libraries are fully financed by the state government. According to financial support given by the government, libraries can plan and programme their activities, and also demand for adequate financial support from the government. To overcome the problem of inadequate finances, the government should prepare developmental plans for the provision of efficient, comprehensive and integrated public library system for the entire state. It should also allocate adequate funds to meet both operational and capital expenditure at all levels.
Basak and Das (1986) mention that budget is a very important part of planning and control systems related to the fundamental management. Library budget should preferably be adequate to meet the present requirement. Annual increase grant to library budget should be at 3% to cope with price rise. But in practice, almost all the libraries suffer from inadequate budget provision and its insignificant annual increase.

1.2. Objective of the Study

The objective of the research work will be to find out the economic conditions i.e. sources of income and nature of expenditure in providing good library services in the state of Manipur. All the libraries in Manipur have been facing problems due to the lack of financial resources. The basic objectives of the present study are:

- to know the source of finance in different types of libraries;
- to find out possible means of increasing financial resources of libraries in Manipur;
- to identify techniques adopted for allocation of library funds;
- to find out whether these libraries have fully utilized the government grants;
- to evaluate the unavoidable role of library economy in the existing library system in Manipur,
- to translate the theory of library service into action in the state of
Manipur,
- to nourish the rich cultural heritage of Manipur in the true sense of the term,
- to achieve the maximum standard of the latest modern mass media and information technology in Manipur, the economically backward state of India, and
- to find out the ways and means for the development of library system in Manipur.

1.3. *Need for the Study*

The fast growing information technology and its use in the libraries have changed the scenario of library services. Day by day libraries are growing in terms of staff, readers, books and infrastructures. But library finance is found to be inadequate to meet the requirement of the users. It is the key to economic development of individuals or a region or nation. Therefore, due to lack of library finance from both central and state government, there is a great hindrance in the development of libraries. So, the study of the library economics in Manipur has become essential.
1.4. Scope of the Study

The scope of the work has been limited to:

1. The analysis of the economic plans and policies towards the development of libraries in Manipur by the Government.

2. Financial assistance to the Government of Manipur by the Government of India in the field of libraries and related departments.

3. Cost analysis and examinations in the proper utilization of the sanctioned amount of money.

4. The examination and evaluation of the benefits to the library users / readers / students.

1.5. Hypotheses

The study has been carried out with the object of verifying the following hypotheses drawn on the basis of some preliminary studies:

1. The libraries are playing a great role in widening the knowledge of the readers.

2. The smooth functioning of an institution is based on the satisfactory running of its library since the library is just like the backbone of the institution.

3. The limited financial resources of the state government towards the
library development are supplemented by the grants of State and Central government within the plan period (1997-2002).

4. The financial resources are properly used for the smooth functioning and other activities of the libraries.

5. The progress and improvement are made using the grants of State and Central government towards the development of libraries.

6. The infrastructures of libraries in Manipur are not well equipped with the grants from the state and central governments.

7. In the good atmosphere provided by the library facilities the users are benefited to a large extent.

8. In spite of these facilities, the libraries in Manipur are not, however, reaching the national status in the true sense of the term.

9. It is very commonly seen in Manipur that there is a lack of awareness in the importance of libraries in Manipur by all concerned.

1.6. Research Methodology

Research is an essential and powerful tool leading towards progress. Thus research is a systematic, frequentative and intensive study of the collected data with a view to extend the horizons of knowledge. During the course of study the following methods and procedures have been employed:

1. Questionnaires will be prepared for collecting data from selected
libraries to record their economic conditions;

2. Annual report, literature review and other related documents are to be collected;


4. Personal interviews will be undertaken;

5. Analysing the collected data by using different statistical methods should be done.

1.7. Chapterisation

The present work has been organised into the following six chapters:

Chapter 1: Introduction

Introduction – Review of the related literature – Objective of the study – Need for the study – Scope and coverage – Hypothesis – Methodology – Chapterisation.

Chapter 2: Role of library in society

Library and its types – Multidimensional roles of library having implications in various aspects.

Chapter 3: Library economics and its view

Various aspects and parameters of economics – Its relevance in
librarianship – Economic aspects of library as reflected in the
reports of different commissions committees

Chapter 4: Library systems in Manipur

General profile in Manipur – Impact of education – Growth and
development of different types of libraries.

Chapter 5: Library economics in Manipur: An analysis

Analysis and interpretation of data – Drawing conclusions.

Chapter 6: Conclusion

Summary of the study – General findings – Testing of the
hypothesis – Suggestions – Recommendations – Concluding
remarks
1.8. Conclusion

The study is expected to come out with solutions about how to organise and manage library systems of the state in a more economic way by rendering their services and facilities in a more effective and efficient way.
REFERENCES


