CHAPTER- I
RESEARCH PROBLEM AND METHODOLOGY

Introduction:

In this 21st Century, humanity finds itself at the threshold of a great adventure, which is not related to the conquest of space and time. It is the discovery of the ‘Human Resource Development Process’ and the realization that this single variable of Human Resource Development (HRD) can account for all other development processes.

Human Resource Development is the most important approach to raise the levels of aspiration and productivity and to break the vicious cycle of poverty at the most vulnerable points. By releasing the “creative spirit” without which no wealth can be created, it can rightly be considered as the “critical” for realizing the pent up forces of progress. By providing education, imparting new skills and supporting health it opens up new avenues for vertical mobility in a rigid society ruled by ascribed status. By making achieved status within the possible range of poverty groups, it promotes new areas of entrepreneurship, which require to be nurtured and developed as a part of public policy to promote equality of opportunity.
Education is universally recognised to be an investment in human resources. In the present information age, new knowledge and technology are crucial for improving productivity of human and material resources. Needless to mention, the green revolution in agriculture ushered in high productivity and prosperity through the use of technology. With vigour and effort, a similar revolution in education that embraces information and communication technologies, that fosters freedom and innovation and induces a market oriented competitive environment, is vital for the progress and prosperity of the country. This is more so because society and economy are integrated to the world economy. And for the success in the competitive world it would require that productivity of resources should improve, which is however not possible without widening the base of human capital formation through education, training, research and development activities. In this context, the problems and issues faced by higher education should receive due attention with a view to improving the internal functioning of different sectors of economy, as they utilize the services of higher education and research. One is to identify the major problems and issues in the developments of higher education and the other is to recommend the policy measures that are
urgently required to be initiated with a view to vitalizing and strengthening the system.

**Importance of the Study:**

The role of education in socio-economic development has been universally acknowledged. It is also a well established fact that higher education contributes towards the development of competencies required by a nation in all aspects of life. It is higher education which prepares the human resources for the professions, for the administrative and defense services, for business and industry, for teaching and health services, and for leadership in all walks of life.

The major resource of every country is its people. So long as this resource remains under-developed, all other resources of the nation would also remain under-utilised. It has long been accepted that education affects society and gets affected by it. It is critical to know more about this reciprocal relationship, if educational planning and development is to achieve the desired goals. Education is viewed as a potential instrument in development. The difference between developed and under-developed nations is not on the basis of colour apartheid or on any other criterion, but on the basis of knowledge. Today only those nations are developed, who have the knowledge power, as compared to under-developed nations.
Swami Vivekananda has said ‘I see it before my eyes, a nation is advanced in proportion as education and intelligence spread among masses’. This is true. In other words, the knowledge power is the determinant factor for progress. In today’s economy, the most important resource is no longer land, labour and capital only, but also the modern technology, available supplies of purchasable requisites, a favourable micro-environment and an effective education system that determines the progress of a nation. Nothing survives in modern society without knowledge. This is an era of knowledge, which comes through education.

Education has always been accorded an honoured place in the life and culture of India. In the ancient India it was regarded as an instrument of liberation from ignorance and oppression both in this world and other world (Sa Vidya Vimuktaye ). In the modern India it has been taken as a means of improving one’s ability to read and write, of developing one’s all-round personality and of enabling one to be an efficient citizen of the country. Education is, therefore, regarded as a potential instrument of social change and national development.

Education may be described here, as the field concerned with organized programmes of teaching and learning within the context of planning for economic, social or political change in the society. Every country has to
plan for the kind of educational interventions appropriate within their specific cultural contexts considering the time, place and the environment. Knowledge is generated in higher education institutions. UNESCO Commission on Education (1972) declared that 'education is a life-long process and its purpose is to establish a learning that one acquires knowledge. It provides him with the capacity not only to adjust to change, but also to modify forces of his environment for achieving his own goals. Further, UNESCO (1995) in its policy paper on 'Change and Development of Higher Education, emphasizes that 'State and Society must perceive higher education, not as a burden on federal budgets but as a long-term domestic investment, in order to increase economic competitiveness, cultural development and social cohesion.' It is remarkable to note what Swami Vivekananda said about education. According to him 'Education is not the amount of information that is put into your brain and runs riot there, undigested, all your life. We must have life-building, man-making, character-making and assimilation of ideas. If you have assimilated five ideas and made them your life and character, you have more education than any man who has got by heart a whole library'. 
In modern society, the formal education system has served as the transmission belt of the social engine. The existing system has sorted, selected and certified its students prior to their absorption into the social order. Demands for the performance of this function are likely to increase as the society becomes increasingly complex and organized. Changes in the occupational and social structure will place greater demands upon educational system to produce the sorts of products who will be able to fit in, and to make that machine, which we call society to run. Youth must be helped to develop intellectually and morally so as to better face a complex and changing world. Hence, a more flexible educational system is needed to cater to the needs of every one in the society. If the system is ill suited to the changing needs and demands of today, it has to be modified. The changing economic structure of modern society offers the opportunity to devise or modify an educational system more responsive to human needs and the teaching-learning components of educative process must be changed accordingly. The ingredients of any educational system include teachers, students, buildings facilities, curriculum and programmes. It is necessary to take stock of yesterday's failure, today's weaknesses, tomorrow's developmental needs and plan for educational strategies to produce capable professionals suitable for the emerging times.
Statement of the Problem:
Today education is one of the largest industries in most countries and also one of the chief employees of highly skilled personnel. Further education has a significant influence to the employment and income opportunities open to people and hence affect the distribution of income and wealth in society. Education plays a vital role in the development of human potentials. Every country develops its system of education to meet the challenges of changing times. In our situation, the developing educational system must build upon the gains of the past and the present for a better future for our people and indeed, of mankind. It is possible to reach all our people with the benefits of our economic and technical development through a well planned and well implemented system of education. Education and Economy go hand in hand. It is an important ingredient of economic development. Education can help in transforming the society and in improving the lot of all and sundry.

The place of education in economic growth is an important one. Since the greater part of the world is poor, and since almost all the countries in the poor parts of the world are trying to raise their income per head, it follows that education has an important part to play in these countries indirectly striking on economic balance. Education can become a major source of skill
and trained talent. In fact, from one point of view this is education's critical economic role. The economy requires a spectrum of skills ranging from simple manual labour to the work of highly trained scientists; it also requires skills and abilities which are different in kind, analytical power, physical strength, commercial and judgement. All these traits are developed by education and by life itself to different degrees. In general, it is true to say that the more advanced economies require a far higher degree of trained skill than the simple economies.

Problems such as population, manpower needs, ecology, decreasing natural resources and haphazard application of scientific developments—all place demands on educational institutions for solution. Educational planning has to be effectively integrated with the planning for the economy as a whole. While there are advantages from an increasing degree of privatization of education, the recent trends in this direction have highlighted the difficulties in this context of educational planning per se and its integration with the national economic planning process. Traditionally educational plan is conceived to be the plan for the educational development in the region as a whole (or a country as a whole); this macro approach is not the only approach to be used for the purpose of educational planning. The
educational plan may also refer to the specification of the course of action to be undertaken by the various micro units within the sector of education.

India’s higher educational enterprise is the biggest in the world. There are more than 11831 colleges and 273 universities. It costs the exchequer more than 95 percent of the subsidy on higher education to maintain this massive structure by paying teachers’ salaries and other grants. This is the minimum required to keep the enterprise alive, let alone kicking and dynamic. The progressive cut in the allocation of funds for higher education through the last three to four plan periods has made subsistence precarious. Higher education is starved by under-funding. The demands on the Finance Ministry keep increasing because of periodical increases in salaries and allowances, escalation of costs, wastage and other factors. Already the tottering structure has no option but to lean on the staff of private enterprise. Institutions of higher learning in the private sector have already outnumbered those in the public and quasi-public sectors. The progressive decline of government assistance both at the Centre and the States to higher education has thus led to a situation which cannot be avoided. New courses and new colleges are totally financed by the agencies which have started them. There is no public support for them. Whether one likes it or not, one
cannot wish away the self-financing institutions as they have come to stay. It has become the responsibility of governments, therefore, to organize this unorganized sector. Leaving it unorganized and drying up subsidies to existing public institutions will bring chaos upon the higher education scenario in the country.

Review of Literature:
According to a World Bank study (1994): “Despite the clear importance of higher education for economic growth and social development, investment in the sector is in crisis in industrial as well as developing countries throughout the world..... In an era of widespread fiscal constraints industrial as well as developing countries are grappling with the challenge of how to preserve or improve the quality of higher education as education budgets - and particularly expenditures per student - are compressed.”

The executive summary of the world Bank (1994) document on “Higher Education” begins by stating: “Higher education is of paramount importance for economic and social development-Institutions of higher education have the main responsibility for equipping individuals with the advanced knowledge and skills required for positions of responsibility in government business and professions. These institutions produce new knowledge through
research, serve as conduits for the transfer adaptation and dissemination of knowledge generated elsewhere in the world and support government and business with advice and consultancy services..... The development of higher education is correlated with economic development. Enrolment ratios in higher education average 51% in countries that belong to the organization of Economic Co-operation and Development (OECD) compared with 21% in middle income countries and 6% in low income countries. Estimated social rates of return of 10% or more in many developing countries also indicate that investments in higher education contributed to increase in labour productivity and to higher long-term Economic growth which are essential for poverty alleviation.

Tilak (1997) Points out: “Economic miracles have taken place in some developing countries (e.g. East Asia) mainly due to high rates of growth of their educational systems. A minimum level of 20% enrolment ratio can be viewed as threshold level for a developing country like India to reach a higher level of economic development.

Todaro in his ‘The Economics of Education’ points out that most people in the less developed countries do not demand education for its intrinsic
benefits but simply because it is the only way to get highly paid employment. These derived benefits must in turn be weighed against the costs of education. There are two aspects here. One aspect is the difference in the wage or income differential between jobs in the modern sector and those outside it which is generally called traditional sector. The demand for higher education is positively related to the modern-traditional sector wage differential if we can reduce such wage differentials, we can restrict the demand for higher education to a great extent. And the wage differentials can be reduced provided the productivity of the traditional sector can be increased substantially through greater investment in infrastructure and other aspects of development.

The Punnayya Committee (UGC 1993) which examined UGC funding of institutions of higher education states that “the growth and development of higher education sector has been viewed by Indian policy makers and planners from the very early times as not merely an effort to establish India’s cultural identity on the international scene but also as a means to enhance the quality and productive capacity of our manpower. It is perceived also as a crucial input in our efforts to achieve self reliance and autonomy in many frontal areas of strategic activity”.
The Punnettya Committee Report (University Grants commission 1993) has also stated that government cannot give up its responsibility to the higher education sector. It states that the state must continue to accept the major responsibility for funding the essential maintenance and development requirements of the Universities” and “Although Primary education is fundamental to the nation, higher education determines its entire development including academic and technological progress. While it is mandatory that nation achieves universal elementary education and total literacy at the same time, we cannot afford to neglect and relegate to a neglected position, our quest to achieve global standards of higher education”.

K.R. Shah (1999) in his article "University Industry Relations in Financing Higher Education: Some Issues" states that the contribution of fees which has turned insignificant under the present set-up should be raised by making the price of higher education more appropriate in the form of either discriminating pricing, affordable pricing, dual pricing or even full cost pricing with a selective provision of scholarship, loans etc. This will generate extra revenue, lessen the government’s burden and involvement and make students realize the value of higher education. Further he says that in the wake of globalization and liberalization and also the realization of the
fact that the knowledge based industries and knowledge based employment is dominating the emerging economic scenario. The involvement (not interference) of industry will be a step in the right direction.

A study by Kumar et.al (1998) reveals that there is declining interest amongst graduates for research in different areas of science and technology. This is in contradiction of the assessment made by Maddox (1993) who writes "India's science has a great and probably unique asset: the enthusiasm of young people for science and technology. Kumar et.al (op.cit) point out that between 1991 and 1996 there was only 0.4% increase in enrolment rate for doctoral and post-doctoral programmes in contrast to the 2.1% increase in population and 5% increase in enrolment to tertiary education they attribute this to the lack of job opportunities in the academic institutions and brighter avenues in other fields such marketing added reasons are inadequate facilities in terms of equipment and library in the universities; and lack of proper environment. This is a disheartening development because skilled scientific and technological manpower will be required in increasingly larger numbers in the fields of agriculture, industry, communications and medicine. Kasturirangan (1998) points out "Manpower resources constitute a primary and essential input for a country's socio-economic development process."
The goal of economic and social development can only be achieved if there exist adequate supplies of Manpower with requisite education and skills”.

According to Rath (1992), the main base of indiscipline and irresponsibility in the institutions of higher learning is the present structure of financing higher education. The structure should be so reorganized that both teachers and students are required to earn their salaries and bear the cost of education. Public support should only be in the form of scholarships and loans. Such reorganization will ensure more productive use of material and human resources in higher education such a reorganization also permits complete autonomy – financial and academic – to colleges and choice of colleges to students.

The Associated Chambers of Commerce and Industry (ASSOCHAM), in its paper entitled “Education Reform: The Bold New Initiative (1997), proposes a plan for the entry of corporate sector in the field of education and suggests ways and means to reform the education system. Commenting on the performance and relevance of education, the paper recommends the creation of a rating agency to ensure quality. To survive in a competitive environment to be generated by the process of globalization and liberalization, the education system should be more flexible, producing high
quality manpower and upgrading management talent in the country. The paper stresses that the present education system, which failed to encourage creativity and to adequately train persons for the world of work, has offered an opportunity to the industry "to take up the social responsibility of involving themselves in the educational process." The paper also falls prey to the current wave favouring outright privatization of all activities previously performed by the government. (education in this case). But wisdom dawns in the end and the paper expresses the view that "government should not withdraw completely from education, the private sector initiative could run parallel".

In an assessment of higher education, Moonis Raza also points out that education can be efficient and equitable if the majority of people, the poorer having proportionately more opportunities, are able to benefit from it; it is both inefficient and iniquitous if only the affluent minority succeeds in garnering all the benefits. Education at higher level, particularly in developing countries should aim at

- changing social structures in response to the needs of time,
- assisting in the process of economic development, particularly of rural areas where vast majority of people live in poverty and squalor and
- establishing close links with Indian cultural traditions.
Economics has been viewed by Amartya Sen in a very broad manner. He states that, "Economics is about understanding better the nature of the world - the economic world and to some extent the ethical world in which we live. It is a matter of trying to gain a better grip on the things that affect our lives achievement". He considers that the upliftment of weaker sections is also the aim of Economics. He has stated that, "The fact that economics is also concerned with the poor, the down trodden, the underdogs of society is something that is very close to my heart."

As per Sen’s views development has three central elements. These are human development, expanding market opportunities and maintaining democracy. In his opinion India has done well only in the last area. An important task of expanding public education and public health care and in carrying out land reforms, it has benefited neither from the political commitment as in the case of China nor from cultural background as of the other East Asian countries have.

If one examines different aspects of Prof. Sen’s Economic Philosophy, viz., Development and Education, Education Rights, Economic Freedom, Political Democracy, Women’s Empowerment, Social Security etc., one
would find that whole heartedly he is trying to uplift the poor, the weaker, the downtrodden and the deprived. In this regard he considers education as a lever for the progress of the nation. It is interesting to note that, different aspects of his Economic Philosophy except “Economic Freedom” have been the aims of Education too. Education Commission (1964-66) observed that “One of the important social objectives of education is to equalize opportunity enabling the backward or the under-privileged classes and individuals to use education as a lever for the improvement in their condition. Every society that values social justice and is anxious to improve the lot of the common man and cultivate all available talent must ensure progressive equality of opportunity to all sections of the population. This is the only guaranty for the building up of an egalitarian and human society in which the exploitation of the weak will be minimized.” The National Policy on Education, 1986 also aims at the removal of disparities and attending to the needs of those who have been involved in the system of education may easily observe that continuous efforts have been made to universalize education. Special provisions have been made for the weaker section, SCs, STs and women to promote their educational level so that their existing conditions could be improved.
It is worth noting, that, the faith, which Prof. Sen has placed in education for the development of the nation, appears to be much stronger than that of the educationists, policy makers, planners and the Indian Government. It may not be out of the way to say that he has been an Educational Philosopher to a large extent. His theory with respect to Economic Freedom and Political Democracy may be appearing a little apart from the educational endeavor. But, if the restrictions placed on Economic Freedom which hamper the progress, have to be removed against the will of the concerned authorities, then it would be education which will help in bringing awareness in the public at large scale and make collective effort. Even to bring revolution in the society, education is essential.

It may also be mentioned that certain developments taking place in India like privatization of education, and development of self financed institutions may not benefit the weaker section for whom Prof. Sen advocates. The technical development taking place in all walks of life particularly which reduces the employment opportunities may ruin the down trodden to a greater extent if proper care is not taken by the society as most of them are in low paid traditional jobs. In the modern technological world the gap between the poor and rich is widening. In such a situation job and basic amenities of life are becoming scarce for one section of the society and the other group is leading
towards highly luxurious life. This will certainly lead to revolution; it may be just a question of time. Therefore, for the survival of all in peaceful and harmonious manner it is essential to reduce disparities through education.

Research Gap:

Most of the studies concentrated on the development of higher education, its role in the formation of human capital, and the problems particularly financial crisis faced in the higher education in recent years. Many of these studies are at macro level. Hence, an effort is made to study current status of higher education particularly collegiate education and students demand for traditional degree viz., B.A. B.Sc and B.Com at micro level by selecting a sample of colleges in Bangalore city.
Objectives:

The present study examines the human resource development through higher education in India. However, the specific objectives are as follows:

a) To study the current structure and organizational aspects of collegiate education in the State of Karnataka.

b) To examine the quantitative expansion of collegiate education in Karnataka in the 1990s.

c) To assess the pattern of financing of collegiate education in Karnataka over a period of years.

d) To study the student demand for undergraduate degrees in the three types of selected colleges (government, private aided/unaided colleges) in Bangalore City.

e) To study the performance by broad student categories (boys, girls, SC/ST) in the selected colleges in Bangalore.

f) To suggest the measures for policy making.

Methodology:

Scope of the Study:

The higher general education comprises the university education and collegiate education. Collegiate education is an important component of higher education in Karnataka State. Institutions of higher education in the State provide general education, technical education, medical education and agricultural education. Up to 1976, education was in the list of State subjects under the Constitution of India. However, since the 42nd
amendment to the constitution in 1976, education has been placed under the concurrent list. Thus, both Union Government and State Governments can formulate policies and programmes for development of education including higher education in the country.

The scope of this study was limited to collegiate education which leads to the award of undergraduate degrees in general education such as B.A, B.Sc and B.Com... and the study did not include degree courses in law, fine arts, computer application, business management, hotel management courses in colleges of education, post graduate degree courses within the general degree colleges.

Further, collegiate education is of two types. First, regular education. Second, distance education. The scope of this study covered only the regular education. Regular education is college-based or provided through Government colleges (GCs), Private aided colleges (PACs), Private unaided colleges (PUACs) and University colleges (UCs) which are affiliated with the State universities under section 53 of the Karnataka State Universities Act, 1976. (amended in 2000) Since Bangalore University does not have any university colleges a sample of twenty one colleges, seven each from
Government Colleges, Private aided colleges and Private unaided colleges were selected for this study.

The geographical area of the study was restricted to Bangalore city as a large number of government, private aided and private unaided colleges are located.

Sources of Data:

This study is based on only the secondary data. The secondary data were collected from published, unpublished, unprocessed data from the Department of Collegiate Education, Ministry of Higher Education, Department of Finance, Bangalore University. Unpublished, unprocessed data and information were also collected from the office records of sample colleges.

Analysis of Data:

The collected data were processed and presented in the tabular form. Data were analysed using simple statistical tools like ratios and percentages. Students' demand for collegiate education was analysed using the enrolment data in different courses over a period. Performance of selected colleges was measured by pass percent of students in the final years examinations and also by calculating the retention rate of students by courses in different types of colleges among the selected 21 colleges.
Limitations of the Study:

The study depends solely on secondary data. The information on the finances of colleges are not available either with the Department of collegiate education or with the universities. Access to financial information pertaining to resource mobilization and utilization by the individual colleges is not possible. Certain useful information like number of applications received for various courses vis-à-vis number of seats available for a particular course (intake capacity) etc could not be collected at the college level as the colleges are not maintaining this information properly either in published or unpublished form.

Despite these limitations, the researcher feels that the data and information that has been collected, analysed and presented are sufficient enough to meet the objectives of study.
Organization of the Thesis:

The thesis is organised into 6 chapters.

- Chapter I contains introduction, importance of the study, statement of the problem, review of literature, objectives and methodology.

- Chapter II gives an elaborate description on the role of education particularly higher education in human resource development.

Chapter III discusses the growth of higher education in India.

Chapter IV has two sections. The first section gives the picture of current structure and organizational aspects of collegiate education in Karnataka.

The second section throws light on public financing of collegiate education by the State Government viz., the Government of Karnataka.

Chapter V examines the student demand for undergraduate degrees in Section A and their performance in the selected colleges in Section B.

The last Chapter contains summary of findings and suggestions.