

# Education for Development

## An Analysis from Economic Perspective

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### The Context

Since the world war II, development has captured much attention from social thinkers and social scientists all over the world. All the poor nations of the world today are development minded as they believe that the development of their nation only can solve the problems of human misery, degradation and discontent. The concept of education for development is the result of this sort of thinking. Every nation now plans education from developmental perspective. In our country, the importance of education for development was recognized way back in 1960's by Indian Education Commission and its report was titled as Education and National Development.

Though the poor nations are showing their concern to education for development, they are still doubtful of its exact role. "Does education contribute to the development of a nation, and if yes, then how? Which level and type of education contribute more to development? Can education be planned in such a way that it can accelerate the process of development? are some of the questions which are being debated these days all over the world. The present paper is an attempt to answer some such questions with special reference to education's contribution to economic development and its policy implications.

### What is Education for Development?

The concept of development has undergone evolutionary changes over a period of time. What was termed in 19th century as 'progress' is now considered as 'development' in 20th century. Even today different thinkers view the term development differently and it is still highly controversial. While economists consider development as a process of economic growth, sociologists take it as the process of ushering into existence a new social order. Whatever may be the views of different thinkers, there seems to be almost a consensus that development is concerned with the overall prosperity and welfare of the people. From this point of view, development is characterized by increase in the basic facilities for the masses, rise in the standard of

their living and widening of the mental horizon of the people. This objective of development can be achieved, if there is increase in production and other capital resources, development of means of transportation and communication, and improvement in the standards of education and health. Though, natural resources and physical capital play a vital role in bringing about this development, these two alone do not determine it.

To bring about development, optimum utilization of physical capital and maximum exploitation of natural resources is very necessary and this is possible when the labour force which operate the production system is trained and educated. Thus, education becomes a necessary condition for development, if not a sufficient one. It is in this background that we talk about education for development. This concept raises certain questions like what qualities of mind and character enable people to play effective roles in the process of development?, what type of education and which level of education should be emphasised most at various levels of development?, and what changes can be brought about in the educational system so that the process of development is accelerated? If we can find the answers to these questions in the context of our prevailing situation and then plan education accordingly, that will be education for development in the real sense.

### Contribution of Education to Economic Development

The contribution of education in the process of development has been a matter of debate among development planners since long. Generally, it is believed that education is a social service and its contribution in economic development is marginal. This view is, however, losing ground and there is now recognition that education is an investment which brings returns in terms of the increase in the Gross National Product (GNP) or per capita income. From this point of view education is an integral part of the developmental process.

It is now argued that education contributes to economic development by increasing the productivity of the labour force, which in turn, raises the GNP or per capita income of the country, an important indicator of economic growth. Education does so by increasing the amount of knowledge, training the mind, developing

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the required skills and inculcating the desired values and attitudes among the people of a society. Thus, education affects the economic development by preparing the people for their effective participation in the process of economic growth.

Research studies have revealed the following facts with regard to the contribution of education to economic development :

(i) As the percentage of literacy grows for a country, rate of economic growth also increases. The countries which have the literacy level below 40%, are found poor while countries which have crossed the literacy level of about 70% are richer. Inference is that forty percent literacy is the threshold level to cross the economic barrier (Bowman and Anderson, 1950).

(ii) There is a positive correlation between the composite index of human resource development and GNP and per capita income (Harbison and Meyers, 1964).

(iii) The economic growth depends on the development of formal schooling. (Easterlin, 1981). The workers with longer periods of schooling are found more productive (Strumline, 1924).

The above findings confirm the fact that education contributes to economic development. It is not argued here that development cannot take place without education. Infact, there are evidences that some amount of development takes place even without education. It is because that education is not the sole factor which determines development. There are hosts of other factors like natural resources and capital investment, better management system and personal abilities and achievement motivation of the labour force. Education at best act as a catalyst. If the essential ingredients for development are fed then education can accelerate the rate of development.

### **Present Position of Education and Development in India**

Impressed with the empirical data of developed countries which speaks very high about the relationship between education and development, the under-developed countries concentrated all their efforts to expand their educational system in the last four decades with the hope that it will result in the development of their nation. As a result, huge expansion of educational facilities was seen in these countries including India. Our country has today a network of 6.85 lakh recognized educational institutions at primary and upper primary levels, 68,000 at lower and higher secondary level, more than 190 universities and 7000 colleges accounting for 2 lakh teachers and 40 lakhs students,

2.80 lakh non-formal education centres and 2.80 lakhs adult education centres. The system as such is perhaps one of the largest in the world. But has this expansion contributed to economic growth? It is doubtful to say with confidence that education has contributed to economic development in India as per our expectations in spite of this vast educational expansion.

Economic data reveals that the growth of GNP over the past 40 years of planning has increased at the rate 3.5% per annum only while it should have been much higher with such educational expansion. As a result, a considerable population of our country is still living in poverty without basic facilities available to them, not to speak of increase in the standard of their living. This by no means is development. As compared to the advanced countries education has not contributed much to our country's economy.

### **Shortcomings of Education System in Contributing to Development**

What is wrong with our educational system? This is a pertinent question. There seem to be the following shortcomings of our education system :

(i) Though this educational expansion appears to be quite impressive, it still falls short of demand. The educational data reveals that for all levels viz. primary, middle, secondary and higher levels, the rate of growth of educational facilities such as schools and teachers have been lower than that of enrolment at these levels. For such a large population of about 84 crores (as per the provisional figure of 1991 census), the present educational expansion cannot be said to be adequate.

(ii) There have been imbalances also in this educational expansion. Over the years, higher education has grown relatively more than other levels of education. It is now a well established fact that higher education is less contributive and much costly as compared to primary and secondary education. The statistics indicate that instead of one graduate, as many as 66 students with primary level of education could have been produced in 1975.

(iii) Vocational education could not grow in the past and all expansion has been in general education. It is the vocational education which contributes more to economic development than general education.

(iv) Whatever expansion of education has taken place it is mostly quantitative and not qualitative. It has resulted in the poor quality of education. The educated labour force produced by the system is not adequately equipped with the kind of knowledge, skills and values as are required by the nation to boost its

economy.

(v) In our country, there is a large scale of unemployment. The educational system has prepared the people by spending heavy cost but they are not contributing to development due to unemployment. Not only this, we have the problem of under-employment and mis-employment also. People are not placed in the right kind of jobs for which they have been educated and trained. As a result, they are not as productive as expected. But then for this the total system is more to blame than education.

(vi) In spite of the massive effort, our educational system could not eradicate illiteracy. We still have 48% people illiterate in our country (as per the provisional figure of census 1991). It is this illiterate population which constitutes the major portion of the labour force. Had this huge educational system made them literate by this time, the difference in development could have been tremendous.

(vii) Lastly, there is a large section of our population comprising specially of rural, tribal, backward classes and women which have not been taken proper care of and are thus undeveloped which otherwise could have contributed to development to a great extent.

These shortcomings of the educational system are largely responsible for holding down the rate of economic growth of the country, indicating thereby the failure of our educational system to contribute to production and in turn to the process of development.

### Reasons for the Failure of Educational System

The failure of our education to contribute to economic development may be attributed mainly to the following two reasons :

#### (i) *Lack of Proper Linkage Between Education and Development*

Inability of the educational system to contribute to economic development as per expectations shows that no serious efforts were made in the past to properly link education with the developmental needs of the country and the system was allowed to grow blindly without any clear direction. This may be either due to non-planning or wrong kind of planning in education.

#### (ii) *Lack of Resources*

To generate adequate education facilities of required quantum and to provide quality education, much financial investment has not been made in the past in spite of the fact that we know that investment in education yields profitable returns in the form of development. While India spent 7% of her plan budget on education during the first five year plan, that per-

centage was reduced to 3.3% during the seventh five year plan which ended in March 1991. In terms of GNP, even though the percentage of GNP spent on education increased from 1.2% in 1950-51 to 3.9% in 1986-87, it is still far below the general target of at least 6%. It is estimated that if the goal of education for all by the year 2000 is to be achieved elementary education alone would require about Rs 80,000 crores in the next 10 years.

### Policy Implications

Number of research studies have been conducted in India and abroad whose findings throw considerable light on the direction of return to education for development. These findings may very well become the policy base in formulating the future education from developmental perspective. Some of them are discussed here.

(i) As level of literacy is directly related to the level of development, top most priority should be given to eradicate illiteracy from the country. Though we have achieved 52% literacy level as we begin the present year 1991, there is a long way to go.

(ii) Rate of return (whether social or private) to education for economic growth decreases as the level of education increases. In other words rate of return to primary education is higher than rate of return to secondary education, which in turn, is higher than that to higher education. Thus returns to primary education are highest among all educational levels, thereby indicating that primary education contributes maximum to economic development. The above facts suggest that the first priority should be given to primary education as compared to other levels of education. Unfortunately, our primary education is the weakest sector in the educational ladder. The resources allocated to primary education have also declined over the plan periods. Unless enough resources are not provided situation cannot improve.

(iii) Vocational education has been found to yield better returns as compared to general education. This clearly shows the importance of vocational education in contributing to economic development. But it does not mean that we go on opening more vocational colleges blindly. There can as easily be a surplus of vocational graduates as there can be that of arts graduates. In the name of vocationalization of education, we have already produced surplus engineers and many of them are unemployed. It is to be noted that vocational education is much costlier than general education and so it must be planned very carefully. Vocational education should be expanded in those areas where there is shortage of manpower. Further, it is more needed at the level of secondary education than higher education.

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(iv) The contribution of higher education is there but it is lowest as compared to primary and secondary education. It is probably low because the social cost of higher education is very high and the share of manpower at this level in the working force is quite low as compared to other sectors of education. The only way out to increase the productivity of higher education may be that its social cost is reduced. This can be done by increasing the private cost of higher education as there are more private returns than the social returns.

Here it is to be mentioned that the importance of higher education can by no means be underestimated because of its low return as stated. As such it is very difficult to measure the returns from higher education because its contribution is not direct. Higher education mainly contributes through the generation of new ideas as a result of research and innovation and it would be inappropriate to apply cost benefit analysis for such a contribution. Only solution we may have is that the higher education should be restricted for higher brains only so that the cost is reduced. Above all higher education has to get exclusive importance as it prepares the people to develop further manpower for different sectors of economy.

(v) The private returns are in excess of social returns to education. This is more true for higher education. It

is because of this reason that education gets high priority for the individual and not for policy makers of the society. But then society will have to bear this because education is not having economic function alone, it is social service also.

## Conclusion

As education and development are inter-related, there is an urgent need to carefully plan education from the perspective of development. Educational planning has to be integrated with economic planning for the development of the country. The strategy of educational planning and resource allocation must take into account the strength of various levels and types of education in relation to their contribution to economic development, the manpower needs of the country as well as other factors of educational development which affect the overall development of the country.

Finally education for economic development must be planned with due regard for its social consequences. Whatever education we plan it must be socially responsible. Economic development without appreciable social order is of no value. In sum, education for development should be more than economic development and it should be planned for total development where economic development finds its appropriate place.