



EDUCATION AS A TOOL OF ECONOMIC DEVELOPMENT

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Meaning of Education

- Education has a broad meaning. It is not just confined to schooling. Education in broad sense means

"Any experience of life that results in learning is education."

- **Education means learning:**

All Experiences of life that change the thinking styles or behaviours or attitudes of people to life is education.

"Education is the process of increasing knowledge, skills and capacities of the people in society."



Learning may be through-


- **Formal Education**-e.g. Schooling-Schooling is a planned and organized learning process. Formal education means programmes of School and College Education.
- **Informal Education**-e.g. Skills imparted by a carpenter or plumber to his offspring or a mother to her children or a farmer to his fellowmen.
- **Non-formal Education**-e.g. Knowledge and skills imparted in training programmes. apprenticeship programmes, adult education centres etc.



Education is used for the development of

- ✓ intellectual powers,
- ✓ to build character,
- ✓ to develop personality,
- ✓ to know self,
- ✓ to develop the all-round development of the child.

Education enriches people's **understanding of themselves and the world.**

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- Education is one of the **fundamental factors** of development in every sense.
 - **No country** can achieve **sustainable economic development** without **substantial investment in human capital**.
 - It raises **people's productivity and creativity**, promoting **entrepreneurship and technological advances**.
 - Hence, **Education and Technological progress** together **contribute to growth in national products and increase in productivity**.



Economic Development

Economic Progress

Economic Progress, Economic Growth and Economic Development are used interchangeably to mean almost same thing:

Progress is a straight and upward movement.

Progress is part of the development in some sectors.

Progress deals with the current status in a very short period.

Progress is concerned with the visible results in positive direction.

It is a word used to denote betterment or improvement in anything.

The term progress is a general term with no specific meaning in economics and used to express the growth and development.

Economic Growth

- ✓ Economic growth is concerned only with the **rate of increase in national income**.
- ✓ **Quantifiability** is an important feature of growth.
- ✓ We can measure **industrial production, road length, food production, educated persons, or per capita income of people** to measure growth.
- ✓ It can be **positive or negative**.
- ✓ It is measured over a **short period**.
- ✓ It ignores **distribution of income** and
- ✓ it ignores **qualitative aspects of human life**.

Growth rates can be calculated annually in **percentage** across various sectors.



Economic Development

- ✓ Economic development is **broader in nature**.
- ✓ It not only includes the quantitative change but **also includes certain qualitative changes** in the economy.
- ✓ Economic development means **not just increase in the real per capita income** but also reduction in **economic-divide, poverty illiteracy and unemployment**.
- ✓ Thus, economic development includes **both economic growth as well as social welfare**.



FEATURES OF SUSTAINABLE DEVELOPMENT

- Efficient use of Natural Resources.
- No Reduction in the Quality of Life of the future generation.
- No Increase in Pollution.
- Does not limit Development.



DIFFERENCE b/w ED AND EG

ECONOMIC GROWTH

- SINGLE DIMENSIONAL
- QUANTITATIVE
- CONTINUOUS AND STEADY CHANGE
- USED FOR DEVELOPED ECONOMIES.

ECONOMIC DEVELOPMENT

- MULTI DIMENSIONAL
- QUALITATIVE
- SPONTANEOUS & DISCONTINUOUS CHANGE
- USED FOR DEVELOPING ECONOMIES.

Determinants of Economic Development

Economic Factors

1. Natural Resource
2. Capital Formation
3. Size of the Market
4. Structural Change
5. Financial System
6. Marketable surplus
7. Foreign Trade
8. Economic System

Non-Economic Factors

1. Human Resource
2. Technical Know-how
3. Political Freedom
4. Social Organization
5. Corruption free administration
6. Desire for Development
7. Moral, ethical and social values
8. Casino Capitalism
9. Patrimonial Capitalism


HOW IS ECONOMICS RELATED TO EDUCATION?

- **Philosophy, Sociology and Psychology** have been considered as the three foundations of education.
- But **Economics is no less connected** with education than these **three branches of knowledge**.
- **Economics of Education** is a specialized branch of study **that applies principles, theories and paradoxes of economics** in the field of education.
- It uses the concepts of economics like **demand & supply, production function, cost benefit analysis, market** etc. to explain issues of education.
- It is establish a **cause and effect relationship** between education and economic aspects.



HOW IS EDUCATION RELATED TO ECONOMICS?

- Education is one of the most important aspects of development.
- It has a significant impact on a country's economic prosperity.
- Without considerable investments in human capital, no country can achieve long-term economic progress.
- Educational planner must have some knowledge of economics, which are relevant to educational planning.



Thus the central problem before the policy makers of education because of scarcity of resources are

➤ 1. What to produce?

means which type of education should be provided to the children to maximize the benefits of society.

➤ 2. How much to produce or in what quantity?

Since education is provided both by private and public sector so what part should be produced by public sector and in what quantity?

➤ 3. For whom to produce?

1. For children only or for whole society

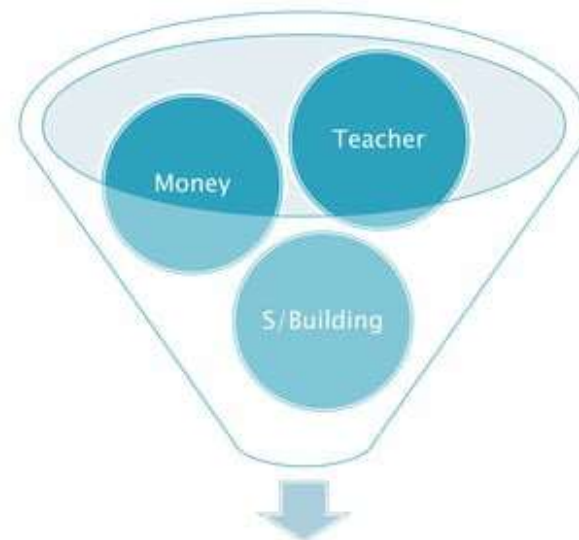


Development planning

- The goals are:
 - ✓ Preparing skilled manpower
 - ✓ Imparting literacy to the population
 - ✓ Provide opportunities to citizen at least Elementary Education.
 - ✓ Increase per capita income
 - ✓ Change in structure of production
 - ✓ Change in attitude and behavior

To attain these goals education has means:


- ✓ Money
- ✓ Teacher
- ✓ School Building





1. Skilled Manpower 2. Literate Population, 3. Equal Educational opportunities

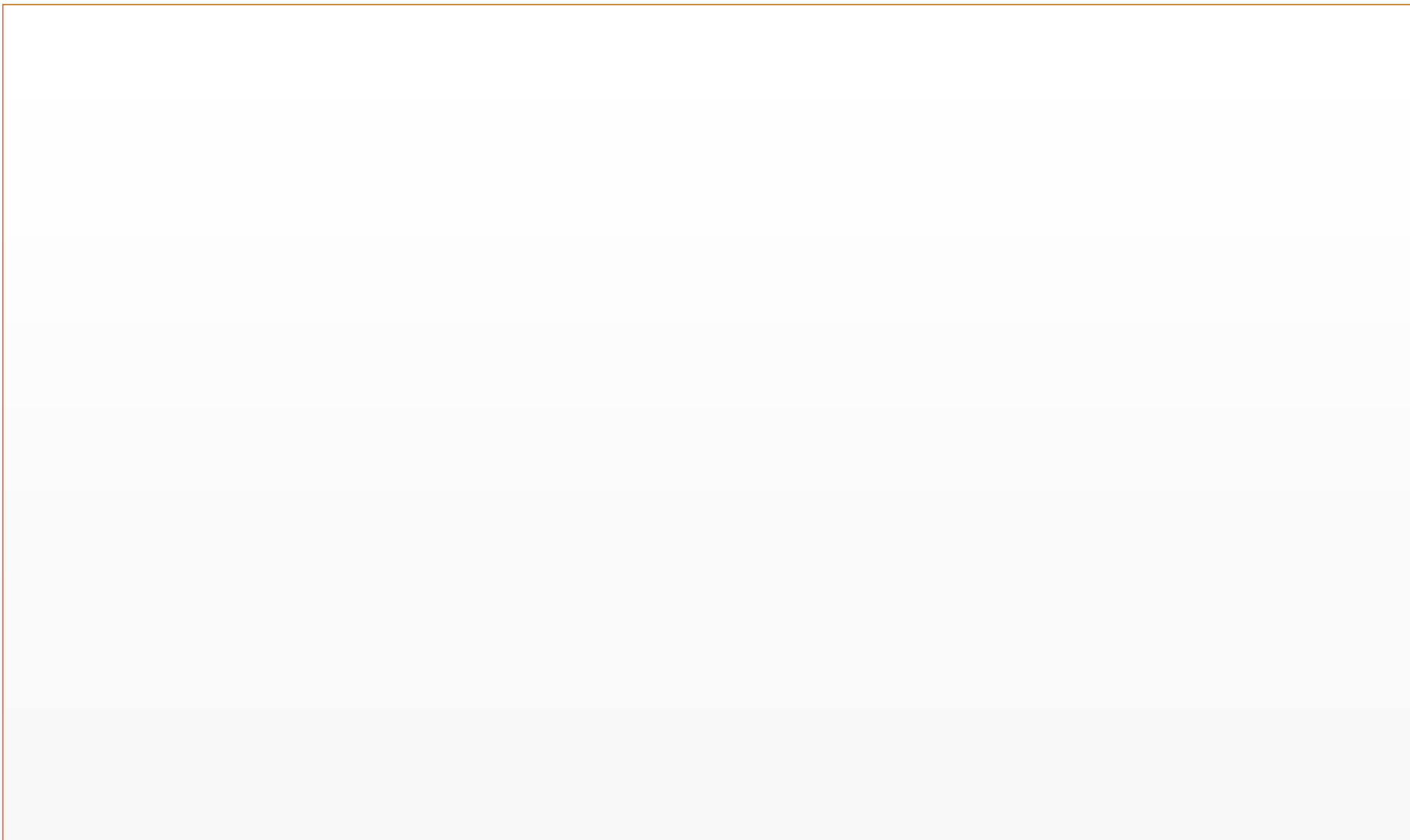
Role of education in economic development

- An increase in production of goods and services of a country along with improvement in the quality of life is referred to as economic development.
- The economic development of the country is largely based on development of education.
- Education itself is an investment in economic terms.
- Education alleviates poverty as it produces skilled labour and creates right attitude to work and development.
- Education determines the wage structure and guarantees economic security of the people.

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- Education endows people with **quality skills** thereby, **enhances their productivity**.
 - Education enhances the **income, earning capacities and opportunities for people**.
 - Education also **enables** human capital to **utilise the available physical capital optimally**.
 - Education **develops mental abilities** of people and helps them to **make their choice rationally and intellectually**.
 - Education churns out **good citizens by inculcating values in them**.

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- Educated public of a nation has greater acceptability of modernisation and modern techniques.
 - Education also helps to break the shackles of traditions and backwardness.
 - Education not only increases the income, earning capacity but also reduces the skewed distribution of income.
 - It raises the standard of living and also improves the quality of living.

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- It improves people's **efficiency and capacity** to absorb new technologies.
 - Education investment is one of the primary sources of **human capital** that enables **inventions and discoveries**.
 - **Research and Development** Education helps in preparing learned scientists and researchers in various subjects, who are involved to bring out **innovative products, technologies and processes** of the economic development.



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Thank you...