



INTERNATIONAL RESEARCH JOURNAL OF HUMANITIES AND INTERDISCIPLINARY STUDIES

(Peer-reviewed, Refereed, Indexed & Open Access Journal)

DOI : 03.2021-11278686

ISSN : 2582-8568

IMPACT FACTOR : 5.828 (SJIF 2022)

AN ANALYSIS OF IMPORTANCE OF EDUCATION VIS-A-VIS ECONOMIC DEVELOPMENT

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DOI No. **03.2021-11278686** DOI Link :: <https://doi-ds.org/doilink/10.2022-49892785/IRJHIS2210014>

Abstract:

It is a well-known fact that education is closely related with the development of a country. If the skills of the pupils of the country are reared up as a whole, it brings in overall economic benefit of the mass of any country. Education may play the crucial role in gaining economic success as well as elevating standard of living of the poor. In this perspective, the study is intended to analyse the importance of education in relation to economic development. So education of engineers, entrepreneurs even common people is of great importance to understand the economy of a country and thus they have their respective stand in the economic development of a country.

The social development of the country is brought about by the developments of the modern economic sector which is connected to the higher education of the people. Higher levels of education increase the production of a state. Higher education becomes instrumental in bringing higher salaries, job security and reduction in unemployment. Educated and healthy families understand moral values and practise these regularly. The children of such families become adept in working efficiently and productively when they grow up. The educated parents are seen to invest in schooling, higher education, co-curricular and extracurricular activities of their children. Likewise, a country which takes care of its education system can have positive economic effect in the long run. Hence, a country needs to provide bare minimum of education as well as provide all possibilities of higher education to its citizens.

Keywords: Economic Development, Productivity, Education, Income, Family, Challenges

1. Introduction:

Education and development are closely related which is found from the factual ground that higher economic growth, in return, requires development in the skills of the people. So, if it is tried to upgrade the skills of the educated youth to a minimum level, it will certainly tell upon the economic growth of a country. Improvement in the quality of education may bring about economic

development which has been seen in case of developing countries though the best quality education is yet to be found out.

In a financial setting, more schooling prompts expended venture and benefits of utilization. Such benefits sustain individual as well as society. Production of society and competition among the young masses grow due to higher education and thus it enables them to contribute to the society being good citizens and consequently, enhances development. In this way, a nation prospers if education helps in improvement of social life and economic development.

Underdeveloped countries go through transformation with the help of economic development and thus achieves better living standard. In the process, the people of a nation know about themselves, their position in society, which give way to rise in production, innovation, and promotion of entrepreneurship. Economic development is the foundation of economic progress and plays crucial role in lessening poverty of any country and hence investment in education is given importance. So, it is imperative to understand education and its effect on economic development.

Education has great effect on the education of a country as its GDP depends on human capital. When the human labour of a country is 35%, its human capital is 65%. So higher production of a developed country is the indication of much higher GDP than the country with lower education levels. Also, 5% of the labour force is employed in education sector. In Africa and East Asia, the private returns to schooling are gradually rising up.

2. Literature Review:

As per Ozturk (2011), one of the fundamental determinants of human advancement is admittance to quality instruction. Human resources speculation is imperative to a nation's drawn-out financial development. Schooling works on individuals' mindfulness and worldwide viewpoint, improves their personal satisfaction and has expansive cultural benefits for themselves and the remainder of society. Individuals' efficiency and development are helped by schooling, which additionally encourages undertakings and specialized headways. Accordingly, advancing social value and financial success is basic.

Njoku, C., Anyanwu, J., and Kaegon (2014) analyzed the job of colleges in monetary development, zeroing in specifically on the troubles and capability of Nigerian colleges. In view of the quick changes in innovation, globalization, and socioeconomics, advanced education has for some time been perceived as a basic motor of financial development in Nigeria. Nigeria, as a country, should help efficiency and develop an imaginative mentality if it has any desire to contend despite these movements. Various deterrents are keeping Nigeria's advanced education from satisfying perhaps of its most significant job, in particular filling in as the essential motor for its monetary development. These deterrents incorporate an absence of satisfactory monetary help, the disintegration of moral qualities and scholastic principles, and lack of common sense and execution.

Notwithstanding, regardless of these troubles, a few potential open doors can assist with lightening a portion of these challenges in the event that they are followed with truthfulness and devotion.

Engineers need something beyond a comprehension of the topic, as per Manikandan and Muthumeenakshi (2018), particularly considering the ongoing monetary environment. Understudies are expected to learn critical thinking, correspondence, and data taking care of abilities to find a future line of work. Latest school graduates are anxious to go into business. Business visionaries are likewise a huge component in a country's monetary achievement. The board, promoting, and monetary mastery are fundamental parts of business venture. What's more, understudies should have an essential comprehension of monetary administration to make the most of the business potential open doors introduced by business challenges. Likewise, designing understudies ought to be urged to look for a lifelong in business. The article being referred to saw how designing understudies add to the country's monetary advancement and how well they grasp its monetary foundations. Engineers play a huge part in fostering the country's monetary condition, yet little accentuation is put on teaching designing understudies about financial and monetary mastery. As per the report, designing schools ought to help about the economy to show that specialists are likewise crucial to the nation's development.

The present innovation empowered learning climate permits far off instruction to help the two understudies and the economy by working on their mentalities, capacities, and ways of behaving. Payame Noor College's monetary improvement was the focal point of this review, which took a gander at the job of distance schooling (PNU). The ideal and socially suitable utilization of ICT in training can further develop numerous vital monetary improvement measurements, like adequacy, efficiency, and capital profundity (Najafi et al., 2016).

An individual's holistic development and education, including vocational education, are closely related. Human development need be complete, including the advancement of mental capacity, the ability to appreciate people on a profound level, actual strength, dominance of human expression, science and sports. It is presumed that development of human beings may bring out such persons who can contribute to the construction of society. In the Indian society vocational education is taken into consideration in the context that it serves the need of individuals as well as society. Professional training has four principal objectives such as to foster basic human characteristics like mental spryness, the capacity to appreciate individuals on a deeper level, to upgrade instrumental usefulness, mastery over science and technology, art and sport, to strengthen national identity and to maintain global survival and development (Ichwanto et al., 2020).

During the 1965-2000 period, Lin analysed (2004) the effect of higher education curricula of Taiwan on the labor force and thereby on economic growth. The impacts of educational program structure were assessed in four scholarly disciplines of Taiwanese advance education. Moreover, it

was analysed whether different scholarly disciplines affect financial development in everyone of the three modern areas examined. The economy of Taiwan was found to be emphatically affected by advanced education, science and designing and innate sciences majors assumed the main part in this turn of events.

Bachynska (2021) outlined education's function in the economic development of society from the economist's perspective. The displayed functions of education in identifying society as a whole as well as each individual is shown in distinct historical contexts. The works of art on economics, specifically stress that an individual's pay is reliant upon his or her testimonials and qualification. The macroeconomic effect of education is observed in the X hundred years and the development of new technologies in view of education influences is analysed. The study showed that in the development of human capital, educational institutions have vital role to play. To guarantee the drawn out practicality of the economy's information base, it is fundamental that the labour force has an elevated degree of schooling and gets excellent preparation.

Education is the best investment area from which both economic and social returns can be found. An emphasis is put on the effect of instruction ventures and their financial proficiency including growing human resources, further development work efficiency and invigorating the economy's imaginative potential. In upheaval of living standards, economic growth and structural change human capital is considered to be a crucial factor. The economic development of a country will be in obstructed, unless the educational resources are expanded and a high standard of population growth is maintained.

The economic development of a country will be obstructed. Like land, capital and work, information is currently an independent component of creation. Without a profoundly instructed and insightful local area, there can be no development. Economic development is not possible in any country without education. Economic prosperity of a country depends on its human intellectual capital. People know about themselves and the world with help of education. The improvement of living conditions of human beings, the benefit of individuals as well as that of society are possible by dint of education. Education enables the citizens to be more useful makes them technically sound. The importance of education in respect to economic development is studied in case of the developed country South Korea and the developing country Kyrgyzstan. The educational systems of South Korea are said to be one of the finest educational systems among the few in the world.

Interestingly, Kyrgyzstan is an agrarian country whose economy depends on settlements from residents working abroad. The study points out that education is an essential instrument for the development of a country. A developing nation with an unobtrusive economy like Kyrgyzstan ought to take cues from South Korea and devote a significant portion of its budget to education. In this way, Kyrgyzstan should follow educational policies of developed country (Sakmurzaeva, 2018). An

investigation of manners by which education was helping the economic recovery of two huge locales of Britain showed that two essential types of relationship had been created. In strategic organisations, the points included establishing durable techniques and laying out a climate of participation among various foundations. 'Operational organisations' were created to plan and execute explicit drives. A three-stage process may help in creating the culture of learning and venture vital for the improvement of a high esteem-headed economy and these are:-identification of priority issues, evaluation of existing and potential capabilities of the education sector and examining viability (Woolhouse and Cramphorn, 1999).

Education is said to be one of the critical elements which are needed for growth. A country will have long haul economic growth if it makes huge investment in human resources. Life of people improves, thereby society gains when people become self conscious due to education. Business venture and specialised advancements are energized by education in view of its capacity to expand efficiency and creativity in people. Moreover, education plays crucial role in ensuring economic growth and improving distribution of income (Ozturk, 2011).

3. Objective of the Study:

1. To find out the significance of education in economic development.
2. To find out the connection between education and productivity, income, family.
3. To find out challenges for education in relation to economic development.

4.1 Importance of Education in Economic Development:

Education has vital role in economic development of a country. Educated people yield higher productivity. Improvement in social status of people is possible through education. Higher education brings out research fervour and improves the productivity of economy and thus society gets benefit. Despite the fact that a single inventor probably will not get compensation equivalent to how much exploration the person has places into growing new innovation the advantages of advanced education are in many cases more than the profit the inventor might have made by fostering a new product.

Enrolment of students in primary schools has risen by near about six and half among developing countries since the year 1950. The level of young kids in East Asia and the Pacific district has increased by nine-and-a-half times. As a matter of fact, the normal long stretches of instruction for a populace of almost one billion individuals is projected to ascend to 10 by 2050. Since 124 million of youngsters are not at present in schools, a further 2050 million can't read after several years of schooling. By and by, there is much requirement for further investment in education.

There is need of evaluation of the role of education in economic development in terms of its effect on development and efficiency, distribution of income, and eradication of poverty. Education has great effect on economic development since it is a fundamental human right. By improving human resources, education assists a country with fostering its useful limit and move up the worth

chain. Besides, the capacity to spread information and fostering new innovations prods development.

4.2 .1 Education and Productivity:

Study proves that education has vital role behind economic growth. Higher levels of education increase the ability to cope with the changes in economy, and at the same education in small enterprises comes handy for individuals in making better choices. As a matter of fact, from the study it is found that higher levels of education enable one to earn higher wages not only in the country but also abroad. Nonetheless, the connection between education and economic development is not transparent and hence the significance of education in economic development is dubious. This article expects to explain a portion of the key ideas encompassing the subject.

It is not clear whether the relationship between education and economic development is causal or not. Despite the fact that education enhances human intellectual abilities, still there are a few distinctions among various groups. In scientific and technical fields, higher levels of education have brought in innovations and thus advancement in society. For instance, farmers in Sweden, confronted hurdles like confinement and needed high education rates to contend. On the other hand, cotton spinners with lower literacy rates made them lag behind the technological advances while higher educational levels supported their efficiency.

Nonetheless, studies show that advanced education levels increase human capital yet they affect economic development as lower levels of education. The educational level of work force has impact on the economic development and as such, the profits to education is higher when the labour force is more educated. There is need of structure of economy in respect to higher levels of education. Thus, education will be considerably more significant in the fourth industrial revolution. Hanushek and Woessmann (2015) likewise presumed that the amount of education is more important than the amount of time for a person.

4.2.2 Education and Income:

So far as economic development is concerned, education and income are inter-related. A person's productivity increases with his/her education and likewise his/her income increases with education. Increase in wages, higher employment stability and less duration of unemployment condition are closely related to increase in education levels. Education is likewise pivotal for the activity of every basic human freedom. Mincer (1974) is of the view that income in terms of wage mirrors the efficiency of labourers. But, the factors including education tell upon the wages of a person.

Higher education once effectively trained strict pioneers yet presently goes about as a pathway to current areas of national economies and often leads to increased social status. Sadly, it has the best enrolment choking. At the advent of 21st century, less than a 5th of 18- to 24-year-old young masses were enrolled in tertiary education around the world. This figure is even lower in least

developed countries. Higher education enrolment in North America and Oceania is almost three-fifths.

So, it can be said that the relationship between education and income is deeply ground-grounded. States with higher education levels are found to have increased higher productivity. This increased productivity is measured in terms of gross state product. Furthermore, higher education levels are related to higher wages. These discoveries support the idea that education and income are inter-related. Yet, policymakers ought to consider interaction between these two elements while fostering a financial methodology. It can be concluded that when education improves productivity, higher earnings follow.

4.2.3 Education and the Family:

Though the importance of a strong and stable family is well-understood but the role of education and the family in economic development is beyond perception. Stable and sound families cultivate an appreciation for family values and responsibilities and kids with good family dynamics are better prepared to pursue productive work as adults. Moreover, stable and sound families are additionally more ready to address the difficulties of the present economy, so it checks out to put resources into the family, both now and later on.

Educational expenditures and income inequality were traditionally inter-related but the survey finds out that they can envisage parental expectations. Including financial benefit, families educate their children and also invest in their education before they begin to earn. Families are found to invest in their children's education before they go to college by expending for private or parochial schools as well as extracurricular activities which are meant for enhancement of education. Thus, such investment is of great importance since it increases income and social mobility later on.

In spite of the fact that studies have shown positive correlation between family size and child education but the trends in the relationship in the long-run has hardly been inspected. Besides, studies including a few partners just give a restricted image of the improvement cycle and can't uncover the connection between family size and educational fulfilment. Still, in the event that different companions are analysed, the relationship between education and family size may be more redefined. When family size and educational attainment are closely related, it is vital to distinguish an improvement model that will help to understand the role of education and the family in economic development.

4.3 Challenges for Education:

Education is one of the best instruments that help in reduction of poverty, reduction of inequality and sustaining economic growth. But it is not so easy. So, the following are the ways to improve education and make it more effective:

Enrolment in tertiary education need be increased. Tertiary education enrolment increased

by 45 million students between 1999 and 2005, that reached 138 million in 2005. The biggest additions were found in Brazil, China, India, Nigeria, and South Korea. In certain nations, admittance to higher education is viewed as a privilege and a social necessity as entry into prestigious engagements and high political positions. Thus, the future of education is prosperous.

5. Conclusion:

As the proof suggests education helps individuals to be more useful. Education enables people to have access to current thoughts and expands their capacity to retain new innovations. It informs about new opportunities and builds the versatility of works. Moreover, education gives individuals the information, abilities, perspectives to adapt to changes in the public arena. One of the significant sources of human capital is investment in education and it facilitates inventions. As education is exclusively administered by the non-profit institutions, the government's role in the education system has significantly increased.

While the Government is liable for financing the base instruction expected for all residents, the government has additionally accepted the expense of higher education for youths. This wholesale extension of government obligation has prompted a lopsided quality of education. It likewise, subverts the case for nationalization which would give a typical centre of values and advance administrative policy. Advanced education is a critical determinant of national income, boosting labour productivity, advancing entrepreneurial energy, and improving quality of life. Moreover, it improves political participation, creates public goods, and promotes democratic governance. At last, it adds to the degree of living for all residents. It acts as strong power to battle destitution and guarantees a superior life for all. Above all, the difficulties of growing advanced education are challenging.

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