

# The Role of Education in Promoting Socio-Economic Development

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## ABSTRACT

This paper begins with a discussion of the importance of education in economic development and how education can promote economic growth and social development. It emphasises that education is the foundation of all activities in life and societal development. As a result, education must be promoted in order to promote economic growth and social development. The middle segment focuses on the educational system's issues, particularly in developing countries such as India. Finally, it discusses the educational changes implemented in India and other industrialised countries during the last few years. The Role of Education in Promoting Socio-Economic Development will be discussed in this paper.

**KEYWORDS:** *Education, Socio-Economic, Development, Economic Growth, Human Capital, Productivity, Poverty Reduction, Primary Sector, Secondary Education, Tertiary Education, Cultural Capital.*

## INTRODUCTION

One of the most crucial factors of progress is education. It has a tremendous impact on the economic development of a country. No country can achieve long-term economic success without significant expenditures in human capital.

People's perspectives on themselves and the world around them are broadened by education. It improves their quality of life and delivers numerous social advantages to both individuals and society. It is essential for achieving economic and social progress. It promotes human capital development, productivity, creativity, poverty reduction, entrepreneurship, technical advancements, women empowerment, social development, health awareness, and other areas where economic development can be accelerated. [1]

India is a developing country where the primary sector employs more than 60% of the population. Our country has the most illiterate population in the world. We have the world's second largest population. In this regard, we have a massive human resource. No one can deny the importance of education in the pursuit of greatness and nation building that involves popular participation. Education has a complementary and additional function in the development of the nation's resources--human, financial, and physical--for consumption or investment. It also contributes to the qualitative and quantitative expansion of human resources if it incorporates an inclusionary process and strengthens the pyramid's foundation. This role of education is being recognised and is part of the higher education mission on which public education policy is focusing. [2]

Education in India dates back to the ancient urban learning centres of Taxila and Nalanda. Education in India is controlled by both the Union Government and the states, with the Union having some obligations and the states having autonomy over each other's. The Indian Constitution's many provisions recognise education as a fundamental right. The majority of universities in India are run by the Union or State governments. India has made significant success in boosting primary school enrollment and growing literacy to about two-thirds of the population. India's better education system is frequently considered as one of the primary factors to the country's socioeconomic progress. The Indian education system consists mostly of three types of education: [3]

**Primary Education:** The Indian government prioritises primary education up to the age of fourteen (referred to as Elementary Education).

**Secondary Education:** The Indian government emphasises secondary education for children aged 14 to 18.

**Tertiary education** includes higher education. After China and the United States, India has the world's third-largest higher education system. The University Grants Commission (India) is the principal regulating organisation at the tertiary level, and it enforces its standards, advises the government, and helps coordinate between the centre and the state. The University Grants Commission established a number of autonomous institutions to manage higher education accreditation.

The benefit is that it contributes to the development of qualified labour as well as healthy and responsible citizenry. Thus, it strengthens socioeconomic and political cultural democracy if quality instruction is provided and the necessary infrastructure of human, physical, financial, and capital resources are available as seed capital to invest in and expand the productive power of Higher Education and Rural Development in India.

No one can deny the importance of education in enhancing the socioeconomic and cultural processes, increasing political involvement among voters, and paving the way for civil society. Education has the dual goal of constructing the state and the person, as well as a healthy civil society structure that is not at odds but strives for collective and individual greatness. [4]

A significant advancement The problem in India is that work and education migration have increased the strain on urban and large cities. In addition, semi-skilled, unskilled, and illiterate people migrate to these locations in pursuit of better opportunities. This has exacerbated India's urbanisation and environmental issues. When you consider the poor status of socioeconomic infrastructure such as excellent roads and various modes of urban transport, the hardship of commuters becomes clear.

Another issue is small hawkers encroaching on the pavement, unspecified shop extensions, and clogged drains, all of which contribute to the state of urban unhappiness that any regular person can compute. This resulted from the. Capital focused in capital is the answer. challenges with urban civic amenities, green cover, hospital and health facilities, sanitation and toilet facilities, expanding number of slums, waste disposal challenges, and uninterrupted energy might be imagined as fantasies that find reflection in so-called urban prosperity. Nonetheless, the same pattern can be found across the country. The problem

of mass consumption has increased rubbish, environmental concerns have increased pollution, and people are looking for fresh air alternatives.

### **Equalizing Access to Education:**

Access to decent education has historically been unequal in many nations, reinforcing existing social inequalities and limiting social mobility. Efforts have been made, however, to solve this issue by giving equitable educational opportunities to all individuals, regardless of background. Society may level the playing field and establish a more equitable system by ensuring that education is available to all, regardless of socioeconomic class, gender, race, or geographical location.

Affirmative action, scholarships, and educational reforms are policies that try to bridge the gap and empower disadvantaged individuals to pursue education as a method of upward mobility.

### **Social and Cultural Capital:**

Education not only conveys knowledge and skills, but it also fosters social and cultural capital, both of which can have a substantial impact on an individual's social mobility. The networks, partnerships, and social ties that people form as a result of their educational experiences are referred to as social capital. These relationships can lead to career possibilities, mentorships, and vital social resources, allowing for upward mobility. Similarly, education exposes students to cultural capital, such as art, literature, music, and other kinds of cultural expression, equipping them with the skills necessary to navigate varied social circumstances and engage with others from various backgrounds. [5]

### **Review of Literature:**

The prominent proponents of human capital as a determinant of economic growth have been Theodore W. Schultz (1961). Schultz identified human capital accumulation as the major element explaining the difference between growth and physical capital accumulation based on an analysis of economic growth in different countries. According to him, human capital is a capital good whose value is determined by five major categories of human capital investments: 1) health, including nutrition; 2) migration; 3) on-the-job training; 4) formal education; and 5) adult education programmes, such as agricultural extension services. However, the majority of empirical research in endogenous growth theory

operationalize the concept of human capital by focusing on its educational component. [6]

Currently, the world's developing countries face a slew of economic and sociopolitical challenges, including rapid population expansion, exploitation, inflation, unemployment, corruption, low earnings, and, most notably, political instability due to low literacy rates. In this context, education is regarded as the sole practical answer that a country may use to grow its economy and social well-being. The influence of education as a route of nation-building has not been examined by the populace or policymakers in the SAARC member states. Well-documented national education strategies fail due to a lack of devotion and attention on the side of the implementing apparatus (Kazmi, 2005). [7]

Human civilization develops and evolves the educational system, and vice versa. As a result, education is regarded as a crucial investment for both human and economic growth and development, which is influenced by the context in which it exists. Customs and traditions, beliefs and faith all have an impact on and are influenced by the educational system. The pace and pattern of the component of permanence and change, on the other hand, is decided by society. Because human society is made up of both monetary and non-monetary components, both must be considered anytime an action is planned or carried out. Education is one such activity that both influences and is influenced. It has far-reaching consequences for society and the economy. On the one hand, it promotes economic growth and development while reducing poverty and establishing a coherent social and politically stable environment that attracts investment. Overall, it makes the workforce more dynamic and productive, as well as more socially courteous (Afzal et al, 2010). [8]

The following trends can be clearly noticed in contemporary higher education: Increasing the population's educational level, internationalising higher education, and actively developing government schools - "autonomy" of education, which defines the main vectors of state policy in the field of higher education in the Organisation for Economic Cooperation and Development (OECD) countries: Improving access to education, ensuring higher education quality, and increasing financial efficiency

in the higher education industry (Vasiliev et al., 1999). [9]

### **Objectives:**

- Researching Education's Role in Promoting Socioeconomic Development
- To understand the current state of education in terms of socioeconomic development.
- To identify the major issues affecting the educational system.

### **Research Methodology:**

This study's overall design was exploratory. Because the study is descriptive in nature, the information offered is based on secondary data. Secondary data has been analysed from a variety of sources, including books, newsletters, reports, magazines, journals, newspapers, and the internet, as well as existing literature, to better understand the ability of education to promote socioeconomic growth in various countries. [10]

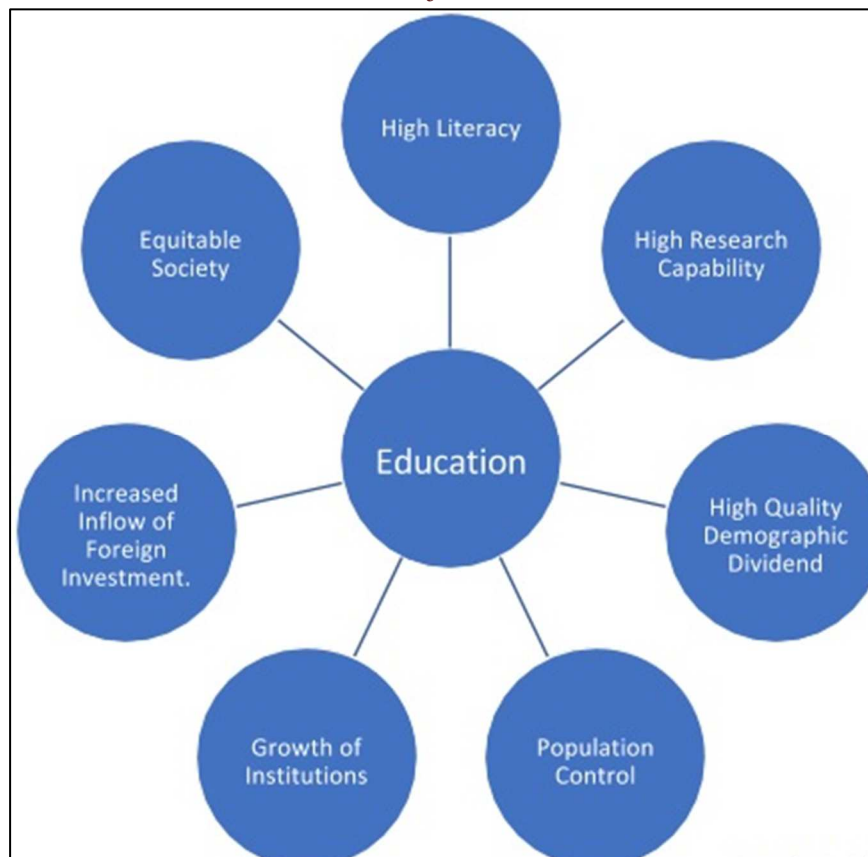
### **Result and Discussion:**

#### **Role of Education in Promoting Economic Growth and Development:**

Prior to the nineteenth century, no country considered systematic investment in human capital to be particularly significant. Schooling, on-the-job training, and other related forms of investment were quite minor. This began to alter dramatically during the twentieth century, with the application of science to the invention of new items and more efficient techniques of manufacturing, first in the United Kingdom and then gradually spread to other countries. Education, skills, and knowledge acquisition have become critical factors of a person's and a nation's output over the twentieth century.

One may even call the twentieth century the "Age of Human Capital" in the sense that the key determinant of a country's level of living is how well it succeeds in creating and utilising skills and knowledge, as well as increasing the health and education of the majority of its population.

Access to basic education has grown dramatically in the Middle East during the last few decades. Many countries are now on the verge of expanding access to secondary and higher education, as well as making dramatic advances in the quality of education provided at all levels. [11]



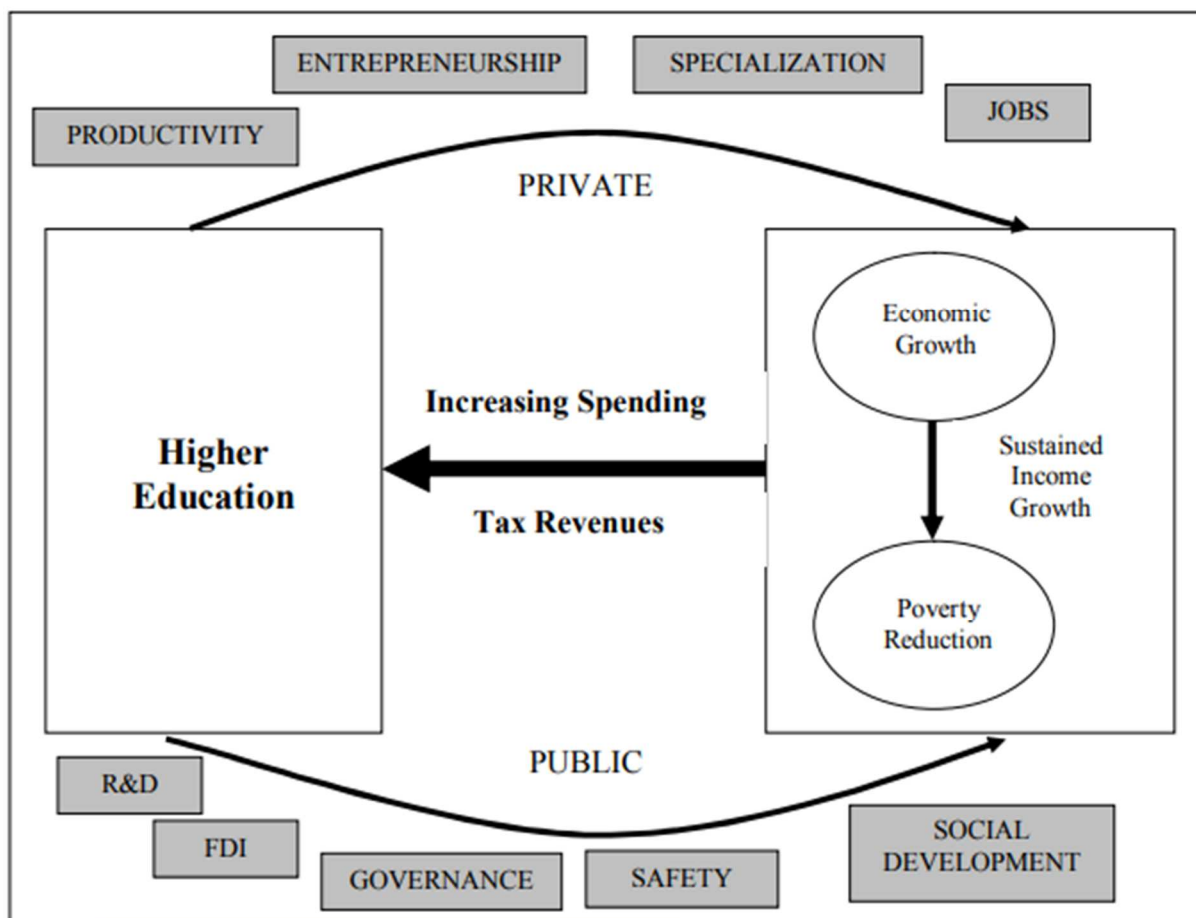
**Figure 1: Role of Education in Promoting Economic Growth and Development**

**Positive Externalities from Education:**

- More educated people are usually more productive workers. • More educated citizens are usually more informed, which translates into more active voters.
- It has been noted that educated families have access to financial aid via education grants and loans.
- Public education aids in income redistribution. All children in families, regardless of their parents' income status, must receive an education. In the future, this will assure equitable income distribution.
- Well-managed government public schools that provide free education provide every child (rich or poor) with the opportunity to learn and develop his or her skills.

Higher education can contribute to economic growth in both commercial and governmental sectors. Individual private benefits are well proven and include improved career possibilities, higher salaries, and increased ability to save and invest. These advantages may lead to greater health and a higher quality of life, triggering a virtuous cycle in which increased life expectancy allows people to work more productively for longer periods of time, increasing lifetime earnings. Higher salaries for educated individuals increase tax revenues for governments and reduce pressure on state budgets. They also lead to increased consumption, which benefits producers of all educational levels. [12]





**Figure 2. The channels of effect higher education to economic growth**

Although none of these results are guaranteed, the paradigm described in Figure 2 suggests a variety of ways in which higher education can assist economies.

### **Contribution of Education to Economic Development:**

**Education and Productivity:** The educational provisions in any given country are a vital determinant in the composition and growth of that country's production and exports, as well as a critical component in a system's ability to borrow foreign technology efficiently.

Health, nutrition, and elementary and secondary education, for example, boost rural and urban worker productivity. Secondary education comprises vocational training, skill acquisition, and the development of managerial abilities. Tertiary education, which includes college, universities, vocational courses, and so on, is equally critical for a country's development. At the micro level, it appears that extra years of education are related with higher incomes, with the rate of return varying with higher degree of education.

**Education and Income:** A positive feedback loop from improved education to greater income equality favours faster growth rates. The significance of education in economic development must be judged not just on its impact on output growth, but also on the structure and pattern of income distribution and poverty. If education becomes more widely available, low-income people will be better positioned to seek out economic opportunities. For example, a 1980s study of the relationship between education, economic disparity, and poverty in 18 Latin American countries discovered that education is unquestionably the most influential variable on income equality.

**Education and Trade:** Any country cannot be successful in its trade. Education and learning investments boost a country's export sector's competitiveness. Knowledge accumulation affects a country's trade performance and competitiveness, and trade enhances knowledge accumulation, especially through imports.

According to a World Bank study, economic development rates were especially high in a sample of 60 developing countries from 1965 to 1987 when a combination of high education and openness was present. [13]

As shown in Table 1, national advantages are determined by increased labour productivity, increased competitiveness, increased scientific and technological capacity, expanded export potential, and other factors. The increasing rivalry in the provision of higher education educational services that "... goes beyond the traditional conceptual, institutional, and geographical boundaries," initiates the process of institutional diversification. There are virtual licences (franchises), corporate universities, educational brokers, as well as software manufacturers, publishers, and entertainment corporations "seeking to capitalise on the potential of a new international market" HPE educational services.

The growth in financial funding for educational services from 1994 to 2004. It has resulted in a higher professional education "institutional trap" in Russia, which has been provoked by the authorities and the management of state and private business, and manifested in various forms, including: • an increase in the number of state universities with an unjustified increase in the planned contingent of admission from 1995 to 2004, resulting in a significant reduction in the quality of educational services and disparities in the structure of training;

- The preservation of regional specialised universities with 60-70% overlap with university areas of specialisation at boosting the status of colleges, institutes, academies and lowering the status of universities (Kobersi et al., 2015).;
- A relative reduction in public expenditure norms per student in 1992-1995, followed by an increase in regulatory lag of public spending per student from the planned contingent's growth in 1995-2004;
- The absence or reduction of public funding for equipment, materials, construction, repair, travel, and so on;
- Restrictions on admission to different specialties and fields (economics, law, management) in public high schools in the lobbying and the creation of non-stability privileges

**Table 1: Potential benefits of education for the individual, the company and the state:**

| Benefits | Private                            | Entrepreneurial                 | Public   |
|----------|------------------------------------|---------------------------------|--|
| Economic | Higher wages, pension              | Profit maximization             | Growth of social productivity of labor                 |
|          | Better job opportunities           | Labour productivity growth      | Growth of the country's competitiveness                |
|          | Higher savings                     | Improving the quality of        | The growth of scientific and technical potential       |
|          | Personal and professional mobility | management, marketing           | Expansion of export opportunities                      |
|          | Career prospects                   | The increase of                 | Reduction of transfer payments                         |
| Social   |                                    | competitiveness of production   | The increase in tax revenues                           |
|          |                                    | Using the cheap highly skilled  | The increase in aggregate demand and supply            |
|          |                                    | workforce                       | Accelerated development of new innovation technologies |
|          | Improving the quality of life      | Formation of a favorable social | The formation of the foundations of civil society      |
|          | Improving working conditions       | and psychological climate       | Improving the health of the nation                     |
|          | Satisfaction with work             | Favorable conditions for        | Formation of the middle class                          |
|          | A healthier lifestyle              | refresher training              | Reducing the criminalization of society                |
|          | Implementation of creative         | Quick adaptation to the         | The development of democratic values, attitudes and    |
|          | abilities                          | environment, to the needs of    | cultural norms   |
|          |                                    | the information economy         |  |

### Education and Social Development:

Education not only builds the individual, but it also builds the nation. Education and socialisation are fundamental to human society because they enable the cultural and social replication of any particular society over generations. Formal education systems have been primarily under public control since the nineteenth century. The evolution of education in the West has been inextricably linked with modernity's key ideals and values, such as progress, science, rationality, and individualism. Educational institutions have been critical in spreading (ideas, information) and extending the influence of such ideals globally, for example, through colonisation. Education is very strongly linked to economic development.

As a result, while the Constitution protects education for all and the majority of people now have access to educational resources, the level of education that young people in India get varies greatly depending on their finances and background. Unfortunately, this high-quality education is limited not only geographically to places

where IT firms are concentrated (as previously stated), but also by ability to pay, as private-sector educational institutions charge exorbitant prices.

**Table 2: All India Growth of Students Enrolment: 1984-85 To 2005-2006: [14]**

| Year        | Total Enrolment | Increase over the previous year | Percentage |
|-------------|-----------------|---------------------------------|------------|
| 1984-85     | 34,04,096       | 96,447                          | 2.9        |
| 1985-86     | 36,05,029       | 2,00,933                        | 5.9        |
| 1986-87     | 37,57,158       | 1,52,129                        | 4.2        |
| 1987-88     | 40,20,159       | 2,63,001                        | 7.0        |
| 1988-89     | 42,85,489       | 2,65,330                        | 6.6        |
| 1989-90     | 46,02,680       | 3,17,191                        | 7.4        |
| 1990-91     | 49,24,868       | 3,22,188                        | 7.0        |
| 1991-92     | 52,65,886       | 3,41,018                        | 6.9        |
| 1992-93     | 55,34,966       | 2,69,080                        | 5.1        |
| 1993-94     | 58,17,249       | 2,82,283                        | 5.1        |
| 1994-95     | 61,13,929       | 2,96,680                        | 5.1        |
| 1995-96     | 65,74,005       | 4,60,076                        | 7.5        |
| 1996-97     | 68,42,598       | 2,68,593                        | 4.1        |
| 1997-98     | 72,60,418       | 4,17,820                        | 6.1        |
| 1998-99     | 77,05,520       | 4,45,102                        | 6.1        |
| 1999-2000   | 80,50,607       | 3,45,087                        | 4.5        |
| 2000-2001   | 83,99,443       | 3,48,836                        | 4.3        |
| 2001-2002   | 89,64,680       | 5,65,237                        | 6.7        |
| 2002-2003 * | 95,16,773       | 5,52,093                        | 6.2        |
| 2003-2004** | 99,53,506       | 4,36,733                        | 4.6        |
| 2004-2005** | 104,81,042      | 5,27,536                        | 5.3        |
| 2005-2006** | 110,28,020      | 5,46,978                        | 5.2        |

### Conclusion:

The new perspective adopted here is that the contribution of an educated society extends beyond a country's economic success and has a positive impact on people's lives, particularly those of the least advantaged. Both approaches emphasise the necessity of investing in education, but the Human Development Approach, in my opinion, provides an extra argument for investing in basic education. Education is getting more globalised. Not only are materials being more influenced by the rich international environment, but student exchanges at all levels are also becoming more essential.

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