

Education and Indian Economy: Challenges and Opportunity

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ABSTRACT

Education is what drives our economy.

-Trey Thibodeaux.

Education and economy are both correlated and interdependent on each other. As the percentage of educated people increase, so does their living standard which finally leads to the increase in the economy of country. Education plays a major role in not only uplifting of economy but also the raise in their knowledge.

The main purpose of this paper is to focus on the issues and options of Indian education, impact of economy on the education system in India. As well as, we know that education improves everything in society so it is also the work of education to aware the people in the whole country about the current changes in the economy of our country India.

If education and economy go hand in hand than there is a possibility of our country India to come under developed nations list.

KEYWORDS: *Education, Economy.*

INTRODUCTION

Globalisation has not only increased competition in world economics but also in the education system. India is a developing country. There is no doubt that nearly one fourth of its population lives in conditions of misery.

Educationists now think of economic welfare by educational planning and on the other hand, economists also think expenditure on education is a sound investment for economic uplift and welfare by increasing the productive efficiency of the workers in all fields of production.

MEANING OF EDUCATION: Education is the process of getting knowledge of various aspects.

Education means the bringing out of the ideas of universal validity which are latent in the mind of every man.

-Socrates

MEANING OF ECONOMY: An economy is an area of the production, distribution or trade and consumption of goods and services

by different agents in a given geographical region.

“The centre should assume a certain amount of direct responsibility for the contemplated re-organisation of secondary education and give financial aid for the purpose.”

-Secondary education Commission Report.

Michael A.Peters(2010) discussed about the three forms of the knowledge economy: learning, creativity and openness. Raquel Fernandez and Richard Rogerson(1995) studied on the political economy of education subsidies. Monojit Chatterji(2008) studied about education and economic development in India.

ROLE OF EDUCATION

Education has a great social importance specially in the modern societies .Some of which are as follows:

- To complete socialization process.
- To transmit the central heritage.
- For the formation of social personality.
- Reformation of attitudes.
- Education for occupational placement.
- Education encourages the spirit of competition.

- Education trains in skills that are required by the economy.

Education As An Investment And Its Return

Before the dawn of modern civilization there were many economists who regarded education as an end in itself. To them it had nothing to do with economics. They regarded any expenditure on education as unproductive and this view prevailed so much that whenever a developing country felt the need of curtailment of the budgetary grants, the axe fell invariably on the education allotment.

In modern age ,economists hold the view that education as an essential expenditure and a productive investment. To them, whatever expenditure is incurred on educational plans, equipments, building and other expenses is an investment ,the return of which is received in the form of useful ,dynamic and efficient citizens who contribute more and more to greater and greater economic welfare of the country which provides them such useful education. Thus ,educational expenditure is now regarded by all an investment for national development and as such principles of economics should be applied to education in all practical forms and schemes. Economists holding this

view assert that the more investment is done in the field of education, the more profitable return will the nature receive in the form of dynamic, self-reliant, hard working, devoted and efficient citizens who will contribute considerably to national prosperity and national glory.

According to UNESCO, "Education is the single most important factor in breaking the poverty cycle".

We see that Japan has increased its national material welfare and attained astonishing economic growth because of its free, compulsory and universal education for all children. U.S.S.R and America have also attained great heights of economic prosperity in return by spending more than half of their national wealth on education.

THE IMPACT OF INDIAN ECONOMY ON THE EDUCATION SYSTEM IN INDIA

Money in the education ecosystem flows in many forms. Imagine a student paying the fee to an institute. These fees have multiple components – admission fee, tuition charges, transportation charges, money for uniform, to name a few. The aggregated amount paid by parents is disbursed in different bank

accounts based on the various fee elements mentioned herewith.

.As we know that there was a current change in the Indian economy under the leadership of our honourable Prime Minister Mr. Narendra Modi. On 8 Nov, 2016, the government of India announced the demonetisation of all 500 and 1000 banknotes of the Mahatma Gandhi Series.

With the demonetisation, a lot of hassles will get sorted for both the institutes as well as parents. Some of them are as follows:

- One of the key advantages of this step is that it will create a level-playing field for aspiring and deserving students, who are unable to pay capitation fee.
- It will bring in discipline in payment management. Now, it is expected that students will have a digital wallet and will be able to keep track of payables, bringing maturity and discipline in campus money management.

OPPORTUNITIES OF EDUCATION IN INDIAN ECONOMY

India holds an important place in the global education industry. The country has more than 1.4 million schools with over 227 million students enrolled and

more than 36,000 higher education institutes. India has one of the largest higher education systems in the world. However, there is still a lot of potential for further development in the education system.

Following points may be considered:

- There is improvement in the quality of education by encouraging collaboration among students, teachers, parents, alumni, activists, and institutions.
- Promote alternate education and ideas.
- No fake money will be charged from students in form of capitation fee.
- With the advancement of digital era, online transactions will be done which will be fair and transparent.
- With the development of economy, individuals can pursue international studies with a lot of ease.

CHALLENGES OF ROLE OF ECONOMY ON EDUCATION

There are some limitations of economics of education. Schools and colleges are not like farms and factories. Knowledge is not a commodity. Hence, education cannot be circumscribed within the rigid compass of economics. In addition to this, the returns of

educational efforts cannot be evaluated and measured definitely in terms of output and profit. Education essentially and primarily deals with human qualities and values rather than material goods or commercial commodities. Hence, education cannot fit in the tight jacket of economics. Some of the points are as follows:

- Expenditure on education: free and compulsory education should be provided.
- Gross enrolment programme: all the children should be enrolled in schools.
- Poor infrastructure facilities: library, laboratory, buildings should be properly constructed.
- Student teacher ratio: manageable ratio between teacher and taught.
- Accreditation and branding – quality standards: colleges should be properly recognised and affiliated to universities.

SUGGESTIONS ON ROLE OF ECONOMY ON EDUCATION

The initiatives to evolve must be centered around the following:

- Innovations required.
- Quality of education.
- Making education affordable.

- By the government welfare schemes could be started only when they have money to invest in education.
- There should be limitations to the tax paid by people in order to manage economy which is fair for both sides.
- Management of government money should be such that equal and fair amount is spent in education department.

TRANSFORMING INDIA INTO A KNOWLEDGE BASED ECONOMY

Knowledge based economy use ICT, innovation and research, specialized skills and higher education for growth. Asian economies such as Japan, Korea, China have shifted from agriculture to knowledge based countries.

Knowledge without action is of no use. The knowledge economy is a system of consumption and production based on intellectual capital. The knowledge economy comprises of how education and knowledge –generally called human capital can serve as a productive advantage.

The pillars of growth such as access to mobile connectivity, broadband highways, public internet access, information for all,

electronics manufacturing, It for jobs, early harvest programmes are being promoted through Digital India Programme.

CONCLUSION

Education reforms currently planned or implemented throughout the world need to include deeper and more comprehensive analysis of what and how schools and leaders should do in order to contribute to the development of Indian economic system. The most frequently presented general idea for increasing Indian economic development is to equip people with the skills and attitude of success and increasingly knowledge based economy.

In the new economy, information, education, and motivation are everything.

-William J. Clinton.

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