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## REVIEW ARTICLE

### A STUDY ON EDUCATION, BASIC NEEDS AND ECONOMIC DEVELOPMENT IN INDIA

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# A Study on Education, Basic Needs and Economic Development in India

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## INTRODUCTION

Education plays a vital role in carrying out, sustaining and dispersing the processes of development through its profound impact on socio-economic, cultural and political framework of a nation. The economic development governs certain basic determinants of education, i.e., educational infrastructure, allocation of resources for education and economic base of the households to support education of their children. Similarly, education directly contributes to the economy through its effects on the determinants of economic development, i.e. productivity, earnings, job mobility, entrepreneurial skills and technological innovations. Therefore, it is one of the most important basic needs and as such a priority area for intervention.

Education, apart from producing human skills needed for the development of an economy is instrumental in making people aware of the available economic opportunities and social services that they can benefit from. It also helps in the satisfaction of other basic needs through creation of awareness on necessities of personal hygiene, household sanitation, clean water, nutritional requirements and primary health care. In sum, development affects both education and fulfillment of other basic needs and is affected by them, while education and other basic needs are also interrelated.

The perception of the process of development and its goals have undergone a considerable change during the last four decades. This may be owing to broadening of educational opportunities in the developing countries. This has led to a situation where more people contribute to and reap benefits from growth. The changed perception of development has brought a renewed interest in education, particularly elementary education not because of only equity arguments but also because education through schooling as a human right predated its recognition as a human capital. Therefore, most governments adopt a pro-elementary education strategy in their development plans.

At this stage, it may be necessary to evaluate the alternative approaches in the economics of educational planning. The consumption or welfare approach accept education as a social -service, while the investment approach embraces the economic ramification of educational provision in terms of monetary benefits. The exponents of the consumption orientation theory believe in the welfare of people. So they focus attention on the argument that financing of education should be based on 'pareto optimality'. According to this school of thought, the whole of primary and major part of secondary education is to be considered as welfare provision by the government.

But it is difficult to classify clearly the levels of education on the basis of consumption and investment approaches. In other words, one cannot probably say that public expenditure on any level of education is purely a consumption or investment expenditure. For instance; government subsidies on capital expenditure of school education may be considered as welfare expenditure. Because, these benefits are not pursued deliberately by the consumption school of thought. But at the same time, these investments accrue monetary gains to the society when acquired talents are put to use. Hence, they can be considered as investment expenditure too.

The distinction between the consumption and investment aspects of educational expenditure has been a familiar area of interest since the times of Adam Smith. But the major concern in the economic value of education came into light only recently, after major part of growth of the USA economy was attributed to the increases in the stock of human capital. Suddenly, attention shifted from lack of capital resources in the developing countries towards the question of shortages of human skills as an explanation for unsatisfactory growth performance.

## STATEMENT OF THE PROBLEM

The ultimate objective of development is the welfare of people which becomes manifest in the qualitative

as well as quantitative changes that it brings about in the social, cultural and economic spheres of life. On the basis of this objective, an important performance test for development may imply the attainment of a decent standard of living. Moreover, in the developing countries, especially in India where more than 30 per cent of the population are poor, welfare of the masses depend largely on the levels of basic needs satisfaction in food and nutrition, water supply and sanitation, education, health, and housing.

## HYPOTHESES

The study proposes to investigate the following hypotheses:

- i. There is a positive relationship between the levels of education and that of basic needs satisfaction.
- ii. There is a positive relationship between the levels of basic needs satisfaction and that of economic development.
- iii. There is a positive relationship between the levels of education and economic development.
- iv. There is a negative relationship between the levels of disparities in education and that of economic development.
- v. The male-female disparity is more pronounced than rural-urban disparity in the levels of education in explaining the variations in the level of economic development

## OBJECTIVES OF THE STUDY:

The study attempts to pursue the following:

- i. Analyze the nature of relationship between the indicators of economic development and those of basic needs fulfillment;
- ii. Examine the impact of education on the levels of basic needs satisfaction;
- iii. Explore and assess the relationship between levels of education and economic development; and
- iv. Finally, obtain as to how disparities (male-female and rural-urban) in the primary, middle and secondary levels of education may affect the levels of basic needs satisfaction and economic development in India.

## REVIEW OF LITERATURE:

The perspectives of development have been changing over the years in a rapid fashion to accommodate themselves to changing needs and perceptions of the

people and the economies. Accordingly, the proposals for solving the developmental problems have been overwhelmingly large and varied in nature. The last three decades have witnessed a steady stream of proposed solutions from the dominant western schools of thought with many variants of Marxist analysis and prescriptions for the elimination of under development. The basic needs approach to development is one of such 'utopia' and of recent origin as a forum of logical reaction to the earlier development strategies.

The paradigm cal shift in the process of development has been recognized and studied mainly because of the failure of planned economic development to improve the living conditions of the poor. The process of simultaneous growth of income and continuance of poverty has left the economists with no option but to think of another alternative strategy. The most immediate solution has emerged as the state takes a lead role in the form of intervention in alleviating poverty and sustaining development.

The growth-oriented approach emphasized the capital intensive modern sector demanding for a relatively high level skill from the average worker. It resulted in meager employment opportunities and a widening gap between the urban and rural areas. To counteract this effect, employment-oriented approach was followed with special emphasis on increasing employment in the rural and informal sectors. As employment in these sectors is difficult to measure, the strategy shifted to anti-poverty approach. This emphasized income or production per person, particularly the small holders, and public employment schemes for landless laborers. Though this approach contained some basic needs elements, because of its exclusive attention to income the supply of basic services was out of contention as an essential step by the government for poverty alleviation. As a result, satisfaction of basic human needs such as health, education, water, etc. could not be attained as it takes place outside the market system. This led to the emergence of basic needs approach with sole concentration on the direct supply of goods and services that would satisfy the needs of the poorest.

The research has shown that improved income distribution as a consequence of anti-poverty measures does not result in increased access to basic needs satisfaction. If higher growth and improved income distribution could not improve the level of basic needs satisfaction of the people, there is certainly a need to find out the reasons for this deficiency. And here, possibly two factors may need to be mentioned. They are deficiency in the supply of basic goods and services and lack of awareness on the part of the population to perceive these needs.

These factors mostly depend on the role of government intervention. Thus, including within itself the feature of public provision for the availability of basic needs to the specific target groups the basic needs approach has become an appealing strategy for

the world community for improving the standards of living of the poor.

## CONCLUSION:

There is enormous inequality in educational provisions among the regions in India and this has perpetuated disparities of all kinds in consistent with the socio-economic and cultural traditions of the society, which one can see among the states and districts, between rural and urban areas, males and females and among the SC, ST, backward and general populations. And, the allowance for persistent disparities in the levels of education has taken away the credit of whatever little educational development India could achieve in the past forty years.

With the conceptualization of the problem as above, the present research would focus at the regional variations in the levels of economic development in India as they correspond to the levels of basic needs satisfaction and education. So far as the relationships between education and levels of basic needs satisfaction, and between basic needs and development are concerned, the study would emphasize on the state level analysis because of the non-availability of data at the district level.

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