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Impact of Primary Education on Economic Development

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Abstract – The objective of this study is to explore the long-term impact of primary education on GDP. By using the annual data, the present study tries to explore the impact of education on GDP in India through time series tools. Empirical results suggest that primary education have positive long-term impact on GDP of the nation. In other words, primary education is playing an important role in the growth of GDP of the nation during the last decade. The above findings, thus, suggest that if India wants to enhance GDP (reduce poverty and enhance economic development), it should take some special measures to increase for primary education and deepen the ongoing reform process through a consensus among all political parties. There is not much study on poverty in India especially exploring the long-term relationship among primary education and its impact on GDP of the nation.

Thus, the present study has its own originality and will add value to policy makers.

Keywords: Poverty; Openness; Government Expenditure and Education.

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INTRODUCTION

A balanced education system promotes not only economic development, but output, and generates individual income per capita. Education especially school education is one of the very important constituents of social development. Since independence, education has been visualized in government strategies as a pioneer to national development as well as to better quality of life. Due to the wits taken by the states and centre, education system in India has expanded exponentially over the past years, but its current achievement is grossly inadequate in realizing its potential greatness. Social development is not pre-determined but is a continuous process of improvement of level of living. The level of development cannot be fully estimated by a single indicator. Moreover, a number of indicators when analyzed individually do not provide an integrated and easily comprehensible picture of reality and thus need to be analyzed together. Therefore, the study has worked out the status of development in school education on the basis of a number of their developmental indicators. The level of development has been estimated with the help of weighted composite index based on optimum combination of all the developmental indicators.

Education is thought to be central to economic development. Beneficial in and of itself, it is also viewed as a major contributor to human capital, leading to higher productivity and living standards. Primary education is thought to be associated with especially high returns.1; its importance is enshrined in the Millennium Development Goals (MDGs), which call for universal primary education by 2015.

Since 1990, the United Nations annually ranks all member countries in the world on the basis of health, education and income; the three essential aspects of human development. The human development index decides the relative rank of a country's achievement with the above aspects in a brief manner. It helps to locate the countries with immediate concerns as well as prioritize the relevant policy areas globally. A well designed public policy and programme can advance human development even without high levels of income or economic growth (United Nations Development Programme, 2004). Nevertheless, the national level figure of the index has its own limitations in the policy formulation, especially for a large country like India where socio-cultural, demographic and economic milieus are diversified. To minimize such limitations, one needs to adopt a measure that can capture disparities in aspects of human wellbeing where appropriate policy actions are urgent at the level of the smallest possible administrative unit.

In fact, primary education is far from universal and this MDG remains elusive. UNICEF (2008), the agency responsible for tracking progress on this MDG, estimates a net primary school enrollment rate in developing countries of 84 per cent; this is also its estimated average for India. In view of this, governments across the developing world have instituted a wide range of policies aimed at encouraging school enrollment.

In accordance with the constitutional commitment to ensure free and compulsory education for all children up to the age of 14 years, provision of universal elementary education has been a salient feature of national policy since independence. This resolve has been spelt out forcefully in the National Policy of Education (NPE), 1986 and the Programme of Action (POA), 1992. The 86th Constitutional Amendment Act, 2002 made education a fundamental right for children within the age group of 6 -14 years. The Government of India launched a programme, Sarva Shiksha Abhiyan (SSA) in 2000, a holistic and convergent programme to achieve the long cherished goal of Universalization of Elementary Education of Satisfactory Quality by 2010. The SSA is an effort to recognize the need for improving the performance of school system and to provide community owned quality elementary education in a mission mode.

As development is a multidimensional process its impact cannot be fully captured by any single indicator. Statistical measurement of educational development in different spheres is important. But a number of indicators when analyzed individually do not provide an integrated and easily comprehensible picture of reality. Hence, there is a need for building up a composite index of systemic quality/educational development based on various indicators. On the basis of this index various states and union territories (UTs) can be compared to know where they stand in terms of systemic quality / educational prosperity in comparison to other states and UTs. In view of this background a need is felt to compare various state/UTs with respect to their educational prosperity using an appropriate composite index.

Component Indicators

1. **Access to school within a walking distance** (1 km for primary level and 3 km for upper primary level)

2. **Enrolment ratio**

Enrolment ratio, being a measure of participation of children in school education, has been considered to be a component indicator of the model to be developed. It has been measured by gross enrolment ratio at primary and upper primary levels. The relevant data was taken from the 7th AISES of NCERT (2007b).

EQUITY IN EDUCATIONAL OPPORTUNITIES

The sub-components that jointly represent the main component of 'Equity in Educational Opportunities' are:

(i) Gender equity:

Gender equity is measured by percentage of girls' enrolment at primary and upper primary levels. Classes' I-V and classes' VI-VIII are considered as primary and upper primary levels, respectively, for this indicator. The data was taken from the 7th AISES of NCERT (2007b).

(ii) Social equity:

The social equity is measured by the simple average of GER of SC children and GER of ST children at primary and upper primary levels separately.

(iii) Equity with regard to children with special needs:

There was equity with regard to children with special needs; by equity it means educational opportunities for disabled children. Been a natural phenomenon, the state to-state variation in prevalence of disabled children is not expected to be significant; the sub-component can be measured by percentage of disabled children in the total enrolment at primary and upper primary levels separately. Data for this indicator was taken from the 7th AISES of NCERT (2007c).

What exactly Midday Meal

In India, primary school education typically covers grades 1-5, and is the joint responsibility of central and state governments. The central government generally issues guidelines and provides funding, but policy implementation is a state-level decision. The central government has a long-standing commitment to the provision of midday meals. As early as August, 1995, The National Program of Nutritional Support to Primary Education mandated cooked meals in all public primary schools.

Not a single state responded to this universal mandate. Between 2002 and 2004, however, most Indian states instituted universal midday meals in public primary schools. This wave was precipitated by public interest litigation. Mid-day meal is thought to increase enrollment through two main channels are:-

First, they lower the cost of schooling, thereby providing an implicit subsidy to parents.

Second, by improving child nutrition school lunches are thought to foster learning, thereby increasing the returns to education. School feeding programs are popular in the developing world and beyond.

PRIMARY EDUCATION IS NEEDED BECAUSE

- It would incline children towards school

- It would generate interest towards education in young children
- It would improve the performance and learning skills of children
- It would reduce the dropout rate especially among girl children
- It would lay the foundation for further education
- It would bring cooperation among children
- It would bring good habits among children
- It would bring positive and innovative development of children's brain
- It would help improving female literacy rate in the state
- It would reduce gender gap in education system
- It would help achieving millennium development goal
- It has also been proved in researches that if minority children are given such friendly-equitable environment in the beginning years of life they have more chances to join the mainstream

SALIENT FEATURES OF PRIMARY EDUCATION

- Imparting free quality primary education through Education centres
- Completion of primary education within three years
- Education centres exclusively for illiterates and drop out girls
- Keeping in mind the cultural constraint of the region only female teachers provide education
- The enrolment age of students in education centres is 6-14 years
- Timing of the classes is scheduled as per the convenience of the students
- Location of the education centre is provided by the community
- Culture, gender and community sensitive education centres
- Duration of classes is four hours a day and 24 hours a week
- Participatory and Communicative methods of teaching are employed
- Community participation through Village Level Education Committee (VLEC) and Gram Panchayat skill development and enhancement of income generation and economic independence are necessary supportive activities.

ECONOMIC DEVELOPMENT

Over the past few years, the Indian economy has registered an annual growth rate of 8 percent and more. This performance has attracted considerable attention, particularly since the more advanced economies are currently showing much lower growth rates, and the World Bank has declared India to be an "Asian giant."According to World Development Indicators, India had become the world's fourth-largest economy in purchasing power parity (PPP) terms.

GDP OF INDIA

As Government of India focusing continuously on education, due to save the GDP of India is also increasing. From the given data we find that the GDP in year 2000 was $ 460 billion increase to around 600 billion in year 2003. Since year 2004 GDP

Increase in a growing phase it was $721 billion in 2004, increase about 8% from previous year. During the years 2005,2006 & 2007 GDP maintain the growth rate around 9% in 2007 the GDP of India reach $1.2424 trillion & in 2010 the GDP growth rate of India was 10.4%, it reached to $ 1.727 trillion. This all is possible due to focusing on education & Human capital.

ECONOMIC DEVELOPMENT AND EDUCATION

In the Indian context, economic growth cannot be seen as synonymous with economic development. For all but the most passionate believers in "trickledown", economic growth will be seen at best as a necessary condition for economic development. It is certainly not sufficient. Once one considers the much broader perspectives of economic development, it becomes apparent that the role of education and education policy becomes (potentially at least) even greater. In India the set of issues which might reasonably be encompassed within the

umbrella of economic development might include inequality and exclusion of all types (whether based on income, gender, caste, religion or region), health, fertility and infant mortality and child labour. The major factor determining low fertility is high female education whilst general indicators of modernization like urbanization, poverty reduction, and male literacy have no such impact. The picture with respect to caste issues is less promising. Despite considerable government investment into the education of the "backward castes", there is little evidence of economic benefit to these castes, partly because of the inability of the education to deliver superior jobs. This leads naturally to a "discouraged worker" effect and withdrawal of funds for educational purposes by such castes. "Without a substantial redistribution in material assets within society, development initiatives focused on formal education are likely to be only partially successful in raising social standing and economic position of subordinate groups".

CONCLUSIONS

From above we find that, it is the primary education variable that has the largest positive impact. This is suggestive of the possibility that primary education does have the Lucas type externality. The measured private rates of return are lower than the social rate of return. If this conjecture is correct – and it is testable using inter-state data – this has profound implications for public policy. There appears to be no similar effect for women where the higher private rates of return appear to already show up in higher growth rates from educating women. The risks of further expansion of higher education are also documented. Similarly, the policy of investing in educating "backward castes" without compensatory changes in labour market policy have been shown to be potentially counterproductive. Despite the fact that from a narrow income perspective for women, there appears to be no wedge between private and social economic returns for women, the developmental returns from enhancing female education appear to be large.

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