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## **Investment in Quality Education: A Necessary Condition for Inclusive Development**

***Dr. Perveen Kumar\****

Sadanand Degree College, Chheolaha, Fatehpur, Uttar Pradesh

### **Abstract**

*In the second half of the 20th century, education was recognized as an important element of economic development throughout the world. The notion of "investment in human beings" stimulated extensive research that emphasized the fact that spending on education and health is crucial to guarantee economic and social well-being, as well as society. Evidence suggests that education not only improves productivity, but also extends choice before people. However, many countries still recognize the role of education to ensure high economic returns for both people and the country, but there is still insufficient education in many developing countries, such as India. Despite the many pressures in India and many international commitments, India has been ambiguous for more than 60 years in the implementation of one of the most basic constitutional obligations that make primary education a fundamental right. In addition, the situation at the secondary and tertiary level is not encouraging. As a result, there are two types of educational systems in this country. One that satisfies some needs that can support educational costs with private money, and the other that is relatively inexpensive. Most people graduate without acquiring a minimum level of knowledge and skills. This document argues that a mere approach to education in the era of competition and excellence is not enough. Due to this pathetic nature of polarization and popular education, the benefits of economic growth are concentrated in a small number of people and average productivity is severely degraded. This document also assumes that investment in quality education for all will increase average productivity, improve consumption patterns and increase investment in education. In addition to focusing on registration, educational policy should focus on improving the quality of educational outcomes.*

**Key words:** *Investment, quality, education, productivity, human development.*

## **INTRODUCTION**

In the second half of the 20th century, education was seen as one of the most important factors in improving individual production capacity, accelerating capital formation and ensuring rapid and sustainable economic growth (Schultz, 1961; Becker, 1964; et al., 1969, Psacharopolous, 1984). This is widely considered as an important tool for socio-economic transformation, promoting equity, individual mobility and national integration (Chanana, 1993). Schultz (1962) presented the notion that spending on education (and health) is very important to ensure the economic and social well-being of people and money. Later studies have shown that education not only improves human productivity, but also qualifies society to compete for extraordinary opportunities. Education, especially higher education, plays an increasingly important role in the economic competition of local, state and national economies. (Lane, 2012).

Regardless of the stage of development, as the number of countries around the world increases, we recognize the role of education in expanding opportunities and improving economic growth. Children in developing countries, especially those in the north with higher education, have become a precedent for development by investing in the timely needs of today's children. However, due to inadequate investments in institutional infrastructure, from the people of many, especially the southern regions of the developing world to the despair of mankind, the vast majority of people can not afford access to education. As India, the second most populous country in the world, has not made the right investment in education, even after becoming independent, there is a house for the largest number of people.

India has been one of the youngest countries in the world in recent decades, but this issue of the demographic dividend is not enough. This document attempts to make a humble attempt to maintain this state of education in terms of investment and human development.

### **Growth of Education in India: A Brief Overview**

India inherited a small system of education from the British rule. There were only about 2,09,700 primary schools, 13,600 upper primary schools, 7,400 secondary/senior secondary levels schools, 578 colleges and 27 universities in the country in 1950-51 (MHRD, 2013). Having realized the paramount importance of education for bringing socio-cultural change and development of human resource, education was accorded the priority status. Today, India can boasts of having one of the largest systems of education in the world. Table 1 provides a glimpse of the institutional set up of education in the country.

A large number of these educational institutions were established by the government both central and state. Besides, the government has also extended

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recognition to the private initiatives and promoted them to work in tandem with the state. Consequent to this policy of 'mixed mode' of economy's restructuring, education sector witnessed the simultaneous existence of both the public and the private ownership, and an extensive network of schools, colleges and universities. Regarding the performance of education sector in the country, there has been a mixed response from different quarters. It is true that in the last sixty years India has been able to build up a massive network of educational institutions. Data given in table 1 about the quantitative expansion of higher education is undoubtedly an authentication of the colossal progress made in the field of education during the independence period.

Institutional infrastructure has increased manifold at all levels and several kinds of institutions have come up in almost all the fields of higher and professional education offering instruction in a wide range of disciplines ranging from the basic and social sciences to the most modern areas of multidisciplinary nature. Besides catering to the needs of the domestic labour markets, India has been able to fill a substantial portion of labour shortages in the developed countries in Europe, North America and the Asia-Pacific.

**Table 1: Number of Educational Institutions in India  
by Level and Type, 2010-11**

	Type		Number
School Education	Primary		7,48,547
	Upper Primary		4,47,600
	Secondary		1,28,370
	Senior Secondary		71,814
	<b>Total</b>		<b>13,96,331</b>
Higher Education	Universities	Central Universities	41
		State Public Universities	281
		Deemed Universities	131
		State Private Universities	87
		Central Open Universities	1
		State Open Universities	13
		Institutions of National Importance	59
		Institutions under State Legislature Act	5
		Others	3
		<b>Total</b>	<b>621</b>
	<b>Colleges</b>		<b>32,974</b>
	Stand Alone Institutions	Diploma Level Technical	3,586
		PGDM	496
		Diploma Level Nursing	2,133
		Diploma Level Teacher Training	4,929
		<b>Total</b>	<b>11,144</b>

Source: MHRD (2013), Educational Statistics at a Glance.

Nevertheless, education has come under severe criticism in the last few years or so. Whereas it is widely acknowledged that, despite such a huge expansion,

access to education is still denied to the large number of people, the quality of education has become a matter of usual public discourses not to speak of those being associated with the assessment of the academia. Except a small minority of schools, colleges and universities, majority institutions are providing sub-standard education.

It is quite often alleged that education has failed in meeting the requirements of techno-managerial models of national development and finding it difficult to respond to the challenges arising out of the increasing interventions of global players. The next section examines some of the oft-cited criticisms of education system in India which have been denting its image and briefly reflects upon the measures that could help in ameliorating the ills of the present system and enhance its potential with reference to the challenges and expectations of the global competition.

### **III. Education in India: A Note on the Quality**

Despite lot of pressure from within the country and several commitments made before the world community, India pursued an elusive approach for long to fulfil one of the most basic constitutional obligation of making elementary education a fundamental right. India took more than six decades in bringing out the Right to Education (RTE) act. The governments and political parties are projecting the RTE as a landmark legislation of their regime.

However, the fact of the matter is that it is a delayed and paralysed legislation. In the twenty first century where competition has been gaining grounds in each and every walk of life provisions of the RTE are inefficient to ensure quality education for all the children.

Though, RTE stipulates to ensure inclusive education by enrolling all the children from six to fourteen years of age, the asurance of quality still remains at the backfoot. In order to find the reports of the quality of infrastructure and the output of our school education one does not need to go any assessment agency; rather, an individual just needs to give a few moments to scan the newspapers accessible in the far-flung localities.

Citing from the Annual Status of Education Report 2013 Prashant K. Nanda observed that “despite levying a tax to fund education and enacting a law to ensure access to education for all children between the ages of 6 and 14, the government hasn’t succeeded in improving learning outcomes in India’s schools... The quality of learning - as measured by reading, writing, and arithmetic - has either shown no improvement or actually worsened” (Nanda, 2014).

**Table 2: Public Expenditure on Education in select Countries and their HDI Rank**

S.N.	Country	Expenditure on Education		HDI Rank (2012)
		As % of GDP	Reference Year	
1	Australia	5.6	2010	2
2	<b>Bangladesh</b>	<b>2.2</b>	<b>2009</b>	<b>146</b>
3	Belgium	6.6	2010	17
4	Brazil	5.8	2010	85
5	Canada	5.5	2010	11
6	Denmark	8.7	2009	15
7	Ecuador	4.5	2010	89
8	France	5.9	2010	20
9	Germany	5.1	2010	5
10	<b>India</b>	<b>3.3</b>	<b>2010</b>	<b>136</b>
11	Ireland	6.5	2010	7
12	Malaysia	5.1	2010	64
13	Netherlands	6.0	2010	4
14	New Zealand	7.3	2011	6
15	Norway	6.9	2010	1
16	<b>Pakistan</b>	<b>2.4</b>	<b>2010</b>	<b>146</b>
17	Sweden	7.0	2010	7
18	Switzerland	5.2	2010	9
19	United Kingdom	6.3	2010	26
20	United States	5.6	2010	3

Source: The World Bank (2014); UNDP (2013)

The situation at further levels of education is also not encouraging. A survey by National Assessment & Accreditation Council (NAAC) found that about ninety percent of colleges and sixty eight percent of universities in the country were of medium to poor quality (The Indian Express, June 16, 2007). Majority of colleges and universities in the country have become the bureaus of distributing certificates to the students who simply pass the term-end examinations by academic bulimia or even sometimes by unfair means, without having acquired the necessary competencies and inculcation of essential professional attributes. The degradation in the quality of higher education has made the employing authorities so skeptic that increasing number of industrial and service sector organisations have started making recruitments on the basis of their own competitive examinations and a university degree is being treated as a screening device only.

Identifying the reasons for this state of affairs in education is not too difficult either. As shown in Table 2, one can easily found a coorelation between the public expenditure, compared in terms of percentage of the Gross Domestic Product, on education and country's HDI rank. By and large, countries having very high HDI rank spend more than five (about seven or more in case of some

countries like Denmark, Sweden and New Zealand) percent of their GDP on education. On the contrary, many countries including the three South Asian countries, viz., India, Pakistan and Bangladesh, spend lesser proportion of GDP on education and therefore ranked low on HDI. The uneven distribution of these resources further vitiates the situation.

For example, a large proportion of India's higher education budget is earmarked for central universities and institutions of national importance leaving a meagre proportion to the large segments of state universities and colleges which caters to the educational needs of the masses. Besides, the rising of the middle class in the country in recent decades have created a growing demand for private investment in education.

As a result, two kinds of education systems are running side by side in the country – one, which caters to the needs of the 'meritorious' few some of those can even bear the cost of education from their private purse, and the other, relatively cheap, which is substantially funded by the state wherein majority of people graduates without acquiring minimum levels of knowledge and skills and render in the society either jobless or absorbed in abysmally low paid vocations. Due to this disparity and pathetic quality of mass education, benefits of economic growth gets concentrated in the hands of the few and average productivity remains quite low.

## **Conclusion**

Though addressing the issue of quality is not as easy as one finds in the usual discourses, it would certainly assume greater prominence in the times to come because of two important reasons – first increasing demand for technically and professionally equipped manpower in the world of work; and second, growing consciousness, may be a little lately, among the stakeholders themselves regarding what they receive in lieu of their investment - both financial resources and opportunity cost. In order to improve its HDI rank, raising the per capita productivity, and reap the benefits of the perceived demographic dividend, inclusive quality education for the masses is essential for "sustainable development starts and ends with safe, healthy and well-educated children" (UNICEF, 2013).

Investment in quality education for all might raise the average productivity, improve consumption patterns, and enhance further investment in education. It needs to be remembered at the same time that it is a necessary condition for inclusive development and not a sufficient one. Besides focussing on the enrollment, education policy should also focus on improvement in the quality of educational outcomes undermining the dichotomies between various levels and types of education.



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