

## Higher Education- An Economic Outlook

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### Abstract

The modern concept of education is rational and scientific in its approach and stresses on the need of education for all. Today education has become one of the basic necessities of human life like food, clothing and shelter. As a result, the number of enrolment has been increasing on one hand and the number of educational institutions has also been increasing on other hand. This is very true in the case of higher education. In fact, higher education has a great economic value in terms of employment and income. In recent times, there has been change in the aspiration of young person i.e., both men and women are in a hurry to finish their studies and start earnings. It means that money making has been the centre of all social, political and economic life. This is possible only through the medium of job and income opportunities oriented higher education. It is seen that people prefer to take up those courses and training which are linked to more and more jobs and income opportunities. Thus, pursuing higher studies for academic purpose is no longer the aim of education in both developed and under developed countries. In fact, the economic importance of higher Education has a great impact on the individual, social and national life. Therefore, education is regarded as an economic goods which satisfies human wants and fulfil the objectives of life. It makes man a social as well as an economic being. An attempt is made in the study to highlights the economic importance of higher education in the post modern society.

**Keywords:** Higher Education, Economic life, Social life, Infrastructure

### Introduction

Education is the most important and powerful organ of socio-economic system. It prepares the child for social as well as economic life, the economic importance of education was felt since the eighteenth century. Adam Smith and Alfred Marshall stressed the importance of education for economic development. The same view has also been stressed by John Vaizy and Scultz. They treated education as economic goods which is the basic for the economic development of any country. It turns human resources in to human capital by which all socio-political and economic changes are brought out in the history of mankind. According to Alfred Marshall, "Education produces a man more intelligent, more ready and more trust worthy in his work, it raises the tone of his hours, it is an important means towards the production of material wealth". Thus it makes vivid, education is a universally accepted as a very useful productive tool to produce material wealth. It promotes national prosperity and welfare in all fields. The economic importance of higher education may be highlighted in the succeeding titles.

### Education as an investment

Alfred Marshall emphasized the importance of education for national development. According to him, "the most valuable of all capitals is that which is invested in human beings". He considered education as itself an investment in economic terms, which helps to eradicate ignorance, poverty and produce skilled labours. Shaffar makes a study on the relationship between the number of years spent on education and the income got after education. He finds that financial returns after education are proportional to the investment in education.

### Education for economic status and security

Economic status of a person in a society or a nation is highly influenced by his education. It means that there is a direct relationship between education and economic status. The highly qualified persons can possess good earning power and leads a good economic life. It is true that the socio- economic status of a junior doctor is higher than a senior nurse. Thus educational qualifications determine the professional value of different individuals. It helps to determine the wage structure and guarantee for economic security of the people. In fact, economic prosperity of the country is directly proportional to the educational development of the people.

### Education for occupational skills

One of the economic importances of higher education is the creation of skilled people. That is education creates able work men, administrators, teachers, professors, engineers, lawyers, technicians. It prepares and develops the people to work in various fields such as agriculture, science, industry, banking, business, transportation, medicine, law, engineering and construction work. In short education increases the quality of man power and develops occupational skills, which lead to higher production and national development.

### **Education is job oriented**

It cannot be denied that higher education guarantees some sort of employment or self employment to the individual. Mahatma Gandhi introduced basic education in which he emphasized craft education rather than academic education with a view to prepare the individual to stand on his own leg. Indian Education Commission (1964-66) stresses on productivity as one of the goals of education. The new structure of education at 10+2+3 guarantees the individual, thousands of profession in the field of agriculture, industry, business, commerce, defence etc. It has been proposed that work experience should be an integral part of the curriculum prescribed for school education. In fact, work experience and vocationalization are the two important factors needed for job-oriented education. Introduction of vocational courses at the 11<sup>th</sup> and 12<sup>th</sup> level makes education as job oriented and producing self- sufficient human beings.

### **Education for productive efficiency**

Another economic importance of higher education is the increase in the productive efficiency of the individuals. As it has been stated earlier as education turns human beings in to human capitals, whose productive efficiency is higher than that of illiterate. It is seen that, illiterate cannot co-operate with the government in the campaign of increased production. In fact, five years plans could not functions properly. But, the comprehensive scheme of adult education, woman education, distance education and non-formal education have increased skill and proficiency of million people. Mass media like news papers, television and radio help in this regard. The power of education that forces the country to move towards economic prosperity. Thus education is considered as one of the most important factor for increasing productive efficiency.

### **Education and cost benefits**

Education is related to life and economic benefits of the individual. In fact, the people calculate the cost of education and the benefits derived out of it. It has been proved that money invested in education of a child guaranteed for move dividends than money spent on business and industry. For examples, investment made on a child enabling him to become a doctor brings an enormous income in future and this benefit is far greater than the benefits got from the same investment in teaching profession. That is why educated parents are conscious of this phenomenon. As a result, a career in IAS, IPS, IES, IFS medicine, engineering, science and technology and banking is more preferred than one in secondary teacher training, industrial training and diploma in nursing. It emphasises the economic importance of higher education is rather than knowledge or character or spiritual oriented education. It may be given due importance to education for economic benefits.

### **Education for population control**

Population control is one of the ways for achieving economic prosperity. The size of family can enjoy the standard of living even with small income and at the same it is not possible in the case of large size of family. Education plays a vital role in reducing the size of family. It is seen that highly educated families have one or two children, where as it is two or three children to illiterate. This is because, the level of education not only increases age of marriage of the individuals but also reduces the intention of having more than one child. It is essential that to achieve economic development, population explosion should be controlled. Education is the one and only powerful instrument in reducing the size of population and bringing about desirable changes among the people. Reducing the size of family is also one of the economic importance of developing country like India.

### **Education for Infra- structural development**

Education is the root of all changes and development take place in the earth. Infact, education produces a number of scientists, technologists and engineers who engage in inventions and discoveries. New transportation and communication systems and modern machines make human life very simple and comfortable. With the help of modern technology, more and more goods and services are produced in agricultural, industrial and tertiary sectors. All the inventions and discoveries take the country in the path of economic development. More over higher education increases the efficiency of workers and encourages them to try better position. This tendency leads to the social and physical mobility of workers. The movement of people from rural to urban or urban to urban area increase their opportunities of employment, income and standard of living. Moreover, it improves the health of people by discovering medicine to cure diseases. It helps the people to propagate various preventive measurers and protect themselves from the expectation of any kind. Thus, infrastructure development and social- physical mobility have been the symbol of economic importance of higher education.

### **Education as a source of integration and democracy**

Education fosters the feeling of national integration, international understanding and globalization. This kind of feeling is very essential in modern times, so that a country can make a move towards economic prosperity. More over, national integration, international understanding and globalization increase investment opportunities across the world. In fact, education makes the people democratic in attitude and behaviour.

Democratic behaviour can usher in social peace which is essential for economic growth. Thus, education modifies human behaviour in such a way that it develops social justice in wealth distribution and equalization of educational opportunities. In this way, the economic importance of higher education is found in all fields and all walks of human life.

#### **Economic importance of education- Presents trends**

Above all we may justify economic importance of higher education in the following grounds

- The enrolment of student in higher education has been increasing to get better jobs and life.
- The movement of high academically qualified people from rural to urban or urban to urban has been increasing.
- The present people give more importance to English education than mother tongue education.
- Parents make higher educational choices of their children based on employment and income not on the basis of their intellectual capacity.
- Educational institutions struggle for mark scoring not man making.
- The present education is meant for getting certificates or degrees which are treated as tokens for employment and income.
- Socio-economic values of higher education have been increasing but its quality decreasing.
- Even the students of poor quality join engineering, medicine, theology not for socio-spiritual development but for economic development.
- Parents either sell their properties or borrow more from banks or financial agents to admit their children in higher education for the bright future.
- The number of students enrolled for M.Phil., Ph.D. programmes has increased tremendously not for doing research but for certificates and its economic values in terms of employment and income.

#### **Conclusions**

Higher education has become most important and powerful economic tool in the global economy. It trains and develops skilled people required for efficient and improved production. In this way it contributes to individual and national development. So, all developed and under developed countries accept that economic development takes place only as a result of the development of Education. In fact education supplies required man power to agriculture, industry and service sectors. It also creates more and more employment and income opportunities. More over higher education has raised the socio-economic conditions and standards of living. Hence, it can be concluded with the words of Harbison and Meyers that “education is the seed and flower of economic growth”. It is true in Indian society, where almost all people whether rich or poor or belongs to rural or urban areas give due importance to higher education only because of its economic importance.

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