

EDUCATION: A POWERFUL GROWTH ENGINE IN THE 21st CENTURY

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Abstract

The Indian education system is presently facing several issues and challenges. Education is a continuous process. It deals with over growing man in ever growing society. The word education originated from the Latin word which means "to bring up". Education should clarify Man's relation with man, Man's relation with the universe and Man's relation with creator or God. The importance of Education is today's need as it is the not only the development of intellectual skill and knowledge but also to effective growth and development of Indian Economy. The Education system needs to make students as learners, innovators, scholars, researchers and trainers.

In the past century, we progressed from a stage where the application of science to manufacturing techniques becomes the basis for production and to develop the Indian Economic system. Education has been found a major source of productivity growth in post-war era, and because Education increases productive human capital, In light of the many Potential benefits of International Trade such as increased sales (or) revenues, cost reductions, technology transfers, the search for higher quality products, industry development, general economic growth of India. Globalizing and Privatization has increased economic competition within and between countries and the world's regions. Economics compositeness is commonly seen as a valid index for judging country levels of economic Prosperity. Education is one of the most powerful instruments for reducing poverty, inequality and enhances the competitiveness in the global economy. Therefore, ensuring access to quality education for all, in particular for the poor and rural population, is central to the economic and social development of India.

Key words: education, economic Growth, economic development, Economy, cognitive skills, Education, Technology, Human capital.

Introduction

Education is key and very important to all. In a very civilized environment, you cannot but measure the level of exposure and advancement of each individual or groups without making reference to the level or impact of education in their lives. Education brings life, innovations, developments, lots of greater achievement and advancement. For many societies, education has led to improved social status and higher income distribution (Ozturk 2001). There is no nation in the universe that is so developed and advanced without a measurable attention, investing and substantial enhancement among citizens of the country on education issues. Education and economic development is not in the number of universities a country has; but rather in the substantialness and measure of impact those universities give.

Education provides both experiences to the individual and his adjustment to the environment. It is also a process which is individualistic as well as social in its nature. Education means growth and better behavior. Education modifies the behavior. It brings such changes in the behavior which is for his good. In the past, the education was the filling up of the mind with stuffed knowledge and was not concerned with the present, but it was looking to the future. It is a "phase of the social process that is fostered by society for the purpose of fitting its members for life in the group". Education is no more considered to be something which means hard labor. It is a joyous process. The attitude of happiness is essential in getting education. Educational process is dynamic in its nature. It brings about growth through learning and goal-seeking.

Education has been from time immemorial; it first started as a tradition that was inculcated over the years and with time has developed into precepts that have given birth to many innovations that we see today. Education could also be said to be a form of enculturation - the process whereby certain cultures are been transferred or passed on. From the time of

putting many stones together for counting, to the counting of sticks for addition and subtraction; toes and fingers to get certain figures correct up to the advent of Abacus machine. Introduction and development of writing abilities can be traced to as far back 3500BC with various writing systems developing around the world even as the world's oldest alphabet developed much later around 2000BC in central Egypt and since then, several nations around the world developed their own alphabet (Arthur, 1997). The very first subjects believed to have been taught were art, calculation, painting, reading, history, astrology, calligraphy, music, archery, hunting, literature, theology and medicine. These subjects and teachings vary in teaching among nations; from China to Greece, Middle East to Indian subcontinent. While some nations practiced more of agriculture related subjects like we had in some countries of Africa and some part in Europe, other nations like china did more of Astrology while a country like India did more of Medicine. More-over, education later started becoming a compulsory thing to do as the relevance and importance became more relevant. A typical instance was when International trade started across borders and there was need for well informed individuals to carry out transactions and do business. Some few nations then made it as a matter of compulsion for both boys and girls to attend at-least primary schools. One of such nation is New Zealand who made education a compulsion by passing a bill in 1877 that all individuals up till the age of 14years must acquire primary school education for free of charge. Norway also passed a bill in 1736 making primary school education compulsory, and gradually most nations in the world started making it a compulsion as some nations could only encourage the young ones to attend schools at little or no charge.

Recently, education has become very compulsory to everyone in all countries and the level of illiteracy has been dropping drastically. According to UNESCO report, the percentage of people without any formal education or schooling has dropped from 34% in 1963 to 24% in year 2000. Illiteracy rate and percentages particularly without formal education in developed nations has dropped from 5% to 1% while developing nations had dropped by half as compared with the 1970s figures (UNESCO, 2007). It is expected that in the nearest future approx. 40 years, the percentage of unschooled people would have dropped to 10%.

Education Defined

Education can be defined as a learning process through which knowledge, skills and habits are been passed or impacted. It can also be said to be those activities of instructing and acquiring know-how. Education can also be defined as a tool used to achieving greater skills that is acquired by training and can be achieved during childhood or adolescence. According to Encyclopedia Britannica (2008), education can be said to be a theory of learning and teaching in schools as opposed to various formal and non-formal means of socializing. Education involves inculcation of ideas and values which are been utilized over the period of time. Another way to elucidate what education means could be under the term "enculturation" which is the process of adopting certain cultures or behavioral pattern that are also been transferred or passed on from one generation to another. Therefore, one can say that the level of culture of a particular country depends on the level of education its people have acquired for themselves.

The Educated – Literate

Literacy can be simply defined as the act of been able to read or write. It can also be said to be the ability to interpret, understand and communicate efficiently which can be achieved through the aid of computed or written materials. To be educated means that one is able to apply some certain skills and knowledge learnt or taught on basic life functions; participate in wider environments and boosting your potential (UNESCO, 2009). Literacy is highly important in order to be a vital employee for any organisation where one is found. Also, literacy helps in achieving a better health status and a happy family. The more the level an individual can attain in technical and mental know-how, the better the person in any society they find themselves. Literacy can be further categorized under media, technology, and cultural. It is very possible to have more of one than the other and also possible to have more than one type of literacy combined. Cultural literacy is the ability to understand the differences and similarities in the beliefs, norms and value and one's culture together with other people's culture. Visual literacy has to do with the ability to understand and analyze physical visual messages; while media and technology literacy has to do with the ability to understand and also effectively use the media and new inventions (Psacharopoulos, 1988).

The thirst for literacy is the bed rock upon which education is riding on today. Literacy gives birth to ideas and high thoughtfulness that are rich and can easily improve the economic status of a society or country. An economy that has high literacy tends to be highly innovative and technologically advanced than the one with little or no level of literacy.

More-over, some other explanations has opened up this definition in the sense that literacy is not about been able to read or write but also to be able to apply those skills learnt to optimal use in order to shape the life of the individual. This is a statement that has given birth to some assumptions that it is not enough to go school or that going to school does not mean

that you are literate. In as much as you cannot apply taught concepts on your daily life and activities; you are as good as never going to school. Take for instance, education taught us some basic hygiene concepts which are meant to be applied on our daily routine; one of such was washing of hands adequately with water and soap after using the toilet, but an individual who does contrary cannot be referred to as educated. Therefore, literacy is not only about going to school and been able to read and write but also the ability to apply those principles and concepts on our lives as individuals (Kress, 2003).

The level of high-literacy is supposed to transform lives from the worse condition to the better. The number of literate individuals in the country can boost its status economically due to high productivity and innovations (Kress & Gunther, 2003). This level can also tell on an economy of a country looking at the rate at which certain laws are obeyed. A red light during traffic means stop, but not every so-called educated individual would obey the light; thus showing their level of failure to show some degree of literacy as the case may apply. The government of developed countries always tries to put all effort into ensuring that the level of literacy is on the increase. This is to make citizens give back to the country in terms of productivity and creativity because education is a form of empowerment on its own.

The Uneducated – Illiterate.

This is the direct opposite of literacy; a situation whereby an individual does not have the ability to read and write. A situation where one does not have a formal education or have only access to very little. An illiterate is also regarded as a person who is uncultured. Beyond this, it is completely a display of absolute ignorance and confusion. Some certain individuals show some excellent abilities, skills, and talents but were not able to enhance these talents because of lack of education. An economy that has a high level of illiteracy does not only suffer from gross misconducts but also a decline in terms of technology and infrastructures.

High Crime rate, little or no productivity, wastefulness, and low health are some of the other disadvantages of illiteracy. A recent study on the impact of illiteracy in the United States by National Centre for Educational Statistics has shown that illiteracy is inter-related to citizen's income level and the high risk in committing crime. The report also showed that over 55% of adults in the prison studied below the 4 grade level; and over 80% of juveniles serving a jail term are functional illiterates; while about 42% of adults who are at their lowest level of illiteracy purely live below the poverty line. Major reasons for illiteracy could be lack of concern by illiterate parents, laziness, poverty and lack of proper access to education facilities such as schools or facilitators. Despite the fact that poverty has been one of the reasons for illiteracy, research also has shown that illiteracy causes more poverty itself because the un-educated people are very poor in decision making and lack in full utilization of resources. Illiteracy rate is more concentrated in three regions and they are Arabs, Sub-Saharan Africa, West and South Asia (CIA fact-book, 2012).

Different studies have shown that Illiteracy and terrorism are some-how inter-related. Many people generally concluded by saying that terrorism is the peak and worst form of illiteracy. One time prime minister of Pakistan, Yousuf Raza Gilani and Education minister of Punjab Shujah Rehman both confirmed by saying that poverty and illiteracy gave birth to terrorism; a case whereby an individual or group now go beyond destroying properties and wasting resources but also taking human lives into their hands. They said a way to put an end to this threat is to invest massively into education and ensuring that everyone is encourage to attend school. Their belief is that by so doing; their mindset and life orientation will be changed for better. Though, some other studies try to prove this wrong by saying that terrorist acts are been sponsored by certain individuals who are well educated and therefore; illiteracy and terrorism has nothing in common but just an act of wickedness. But then, looking at the real meaning of illiteracy; it is a clear state ignorance and lack basic cultural values. A good example which has become a critical case today due to illiteracy is the national disgrace between the Nigerian government and Boko-Haram insurgency which surfaced since 2009. Boko-haram is a terrorist group as described by the Nigerian and United state government. The belief of this militant group is that Western Education is sinful and should be forbidden; therefore causing much destruction of lives and properties. They appear to be crumbling the economy activities of some certain states in the northern part of Nigeria as they keep bombing schools and killing innocent citizens.

Present Educational System in India

The Indian educational system is producing more graduates every year. But the graduates have lack of basic communication and problem solving skills. Those are essential for even the elementary level jobs. Today's education is seen only in earning money. Education is offered to earn good money and also the educational institutions have become more commercialized.

When we talk about present curriculum in India, it is out dated nearly 30 years old. Some institution sticks on an old curriculum. Few want the change and fight a long futile battle trying to change it. So there is a need of massive change in present and development of new curriculum along with administering the planned one. Vocational training should be

mandatory alongside lots of practical work, as more importance has been given to theoretical classes rather than practical classes due to many issues like lack of facilities, lack of trainers etc.

The present day education system in India comprises of about 600,000 primary, 150,000 upper primary, 70,000 secondary school and higher secondary schools. The network of institution of higher education includes more than 7000 colleges of general education about 1000 professional colleges and number of specialized institutions in industrial, scientific, technical, social sciences and research. There are 150 million students who are enrolled with an employment of about 4 million teachers. Creating more schools and allowing hundreds of colleges and universities to mushroom is not going to solve the crisis of education and economic growth in India. Parents are spending more money for education, even though not getting standard education and struggling to find employment of their choice. There are millions of students who are the victims of unrealistic, pointless, mindless rat race. The mind numbing competition is not only crushing the creativity and originality of millions of Indian students but also drives students to commit suicide.

Education—A way towards Growth and Development

In the earlier neoclassical models, education was not considered a major input for production and hence was not included in growth models (Harberger, 1998: 1-2). In the 1960s mounting empirical evidence stimulated the “human investment revolution in economic thought” (Bowman, 1960). The seminal works of (Schultz, 1961) and (Denison, 1962: 67) led to a series of growth accounting studies pointing to education’s contribution to the unexplained residuals in the economic growth of western economies. Other studies looked at the impact of education on earnings or estimated private rate of returns (Becker 1964, Mincer 1977). A 1984 survey of growth accounting studies covering 29 developing countries found estimates of education’s contribution to economic growth ranging from less than 1 percent in Mexico to as high as 23 percent in Ghana (Psacharopoulos, 1981). In short, the late 20th century saw the growth of a knowledge centered, as opposed to a manufacturing centered economy. Consequently, knowledge and people with knowledge are now the key factors of production, main drivers of growth and major determinants of competitiveness in global knowledge economy. Education has been found a major source of productivity growth in post-war era, and because education increases productive human capital, it contributes to overall increase in economic growth. It is estimated that from 1948 to 1973, education and the innovation accounted for two-thirds of the increase in U.S. economic growth. Mankiw, Romer and Weil (1992) incorporated in the production function physical capital and human capital investment rates separately, thereby providing a link between education expenditure and growth. The endogenous growth model by Lucas (1988) allowed the ‘external effects’ and thus long run growth is now a function of physical and human capital. Externalities like non-rivalness and non-excludability gave a larger role to higher education institutions in knowledge production and dissemination. Numerous models incorporating R & D activities and the production of ‘ideas’ have been developed. An increase in the country’s average level of schooling by one year could increase economic growth by 6% to 15% (Dowrick, 2003, Kruege, Lindahl, 1999). Decline in labor force quality could cut the rate of productivity growth attributed to education by one-half or more over the next 20 year, limiting wage growth and fiscal revenues and ultimately standard of living (Heckman and Masterov, 2004). A research paper entitled ‘Knowledge and Development – A Cross Section Approach’, (Heckman and Masterov, 2004) examines a very broad range of knowledge related determinants of economic growth employing cross-section regression that span 92 countries for the period of 1960-2000. The authors find that the stock of human capital, the level of domestic innovation and technological adaptation; and the level of information and communication technologies, infrastructures all exerts statistically significant effects on long-run economic growth. In a knowledge economy, higher education benefits more than just those who attend. Knowledge economy relies heavily on a well trained workforce comprising knowledge workers that can not only apply knowledge but are also capable of analysis and decision making based on information. Some macroeconomic studies of the education show that the variations of growth rates among countries can be explained partly by the initial level of human capital (Barro, 1990; Azaridis and Drazin, 1990; Mankiw, Romer & Weil 1992; Barro and Lee, 1994). Boutrolle (2003) in her review of econometric models that test the impact of average education level in the population on economic growth for a sample of developing countries in middle east and Asia, finds that only the number of graduates of tertiary education seems to have a positive and significant relation to growth. She also finds that the effect of different levels of education varies according to the economy’s level of development. At a more advanced stage of development, characterized by a decline in the agricultural population, migration from rural to urban areas and rapid industrialization, it appears that the proportion of secondary school graduates in the labour force in the main human

capital indicator correlated with economic growth. According to models developed by Sorensen (1999) when a country reaches an advanced development level, the role of human capital on economic growth moves from a direct impact through increasing the capacity of the labour force as a whole to manage innovation and technical progress. It is higher education and research that contributes to innovations and their diffusion. Most countries with high enrolment ratios in higher education became 'Leader' in technology, with high levels of achievement in technology. The role of education in economic growth for developing countries is highly significant (Joshi, 2006). The research on India also proves this. In one of the earliest attempts to estimate the contribution of education to increase in productivity, quality of labour force and economic growth in India, the relative contribution of education to increase in productivity per person was estimated to be as high as 14.01 percent during 1948-49 to 1968-69; and 0.36 percent. Of improvement in the quality of labour force was attributable to education (Dholakia, 1974). As per the later studies, the contribution of education to economic growth in India was asserted to be as high as 34.4 percent (Psacharopoulos, 1973). General reasoning, problem solving and interpersonal skill have become more important in today's workplace because most new positions are created in education, health care and office settings, where there are higher levels of human interaction. In manufacturing, as technology takes away most of the manual processing tasks, employees spend more time interacting with each other to effectively manage the new technologies. The emergence of new and advanced technologies has led to an increase in jobs that require tertiary level qualifications even at the entry level; the rate of increase is expected to accelerate. Just for a few years ago, we could not have imagined a university without classrooms, or a library without books, nor could we imagine a university existing 10,000 miles away from the students. Yet, all this is true today.

Education and Productivity

Clearly the educational provisions within any given country represent one of the main determinants of the composition and growth of that country's output and exports and constitute an important ingredient in a system's capacity to borrow foreign technology effectively. For example: health and nutrition, and primary and secondary education all raise the productivity of workers, rural and urban; secondary education, including vocational, facilitates the acquisition of skills and managerial capacity; tertiary education supports the development of basic science, the appropriate selection of technology imports and the domestic adaptation and development of technologies; secondary and tertiary education also represent critical elements in the development of key institutions, of government, the law, and the financial system, among others, all essential for economic growth. Empirical evidence at both micro and macro levels further illuminates these relationships. At a micro level, numerous studies indicate that increases in earnings are associated with additional years of education, with the rate of return varying with high level of education (Behrman 1990, Psacharopoulos 1994). The returns to primary schooling tend to be greater than returns to secondary and tertiary education. In agriculture, evidence suggests positive effects of education on productivity among farmers using modern technologies, but less impact, as might be expected, among those using traditional methods. Education is also an important contributor to technological capability and technical change in industry. Education alone, of course cannot transform an economy. The quantity and quality of investment, domestic and foreign, together with the overall policy environment, form the other important determinants of economic performance. Yet the level of human development has a bearing on these factors too. The quality of policy making and of investment decisions is bound to be influenced by the education of both policy makers and managers; moreover, the volume of both domestic and foreign investment is likely to be larger when a system's human capital supply is more plentiful. For a macro perspective, the 'new growth theories' aim to endogenize technical progress by incorporating some of these same effects, emphasizing education as well as learning and R&D.

Education and Income

There is also a positive feedback from improved education to greater income equality, which, in turn, is likely to favor higher rates of growth. As education becomes more broadly based, low-income people are better able to seek out economic opportunities. For example, a study of the relation between schooling, income inequality and poverty in 18 countries of Latin America in the 1980s found that one quarter of the variation in workers' incomes was accounted for by variations in schooling attainment; it concludes that 'clearly education is the variable with the strongest impact on income equality' (Psacharopoulos, 1992).

Education and overall Economic Growth

Education contributes to economic growth by imparting basic attitudes, moral values and specific skills, which are necessary for variety of places. It contributes economic growth by improving health, reducing fertility, and political stability. Importance of educational system is to produce a literate, disciplined, flexible labor force via high-quality education.

Individual role is also seen to be vital in economic growth. This is situation whereby individuals go back to their home country and try to pass the knowledge and skills that they have acquired through education to others within their domain. Even though there is a huge migration of people from a less developed society to more advance ones to acquire literacy as earlier discussed in the pages above; we also see a massive return of these people back to their local environments to establish structures, businesses and innovations that will transform the lives of their people. Many supranational organizations or global institutions like Common Wealth Organization, African Union (AU), European Union (EU), United Nations Educational, Scientific and Cultural organization (UNESCO), International Commission on Education among others who are involved in promoting and giving scholarships to less privileged have a goal in mind which is to enhance and increase the level of literacy thereby putting an end to poverty. These organizations believe that with more graduates and educated fellows across the world, there would be low crime rate, low poverty rate, increased health status, and greater innovations leading to a better life for everyone. Therefore, they sponsor several youths across the world by providing free education with the aim that such individual after graduating will become useful to their nations and also give back to the whole world at large. India as a country once had a large number of its youth studying outside the shores India; but suddenly there was a great transformation as many graduates started returning back to India to add their acquired value to the economy. At the moment, India is said to be the best all over the world when it comes to Information Technology (IT) and Medicine. India IT sector contributes about 7.5% to the Gross Domestic product (GDP) of the country and has also created a lot of huge employment opportunities for its citizens. This development has caused an increase in the number of applicants in Indian Universities for those people who are in the IT field. Everyone wants the best and would naturally gravitate towards the place where they feel they can acquire the best. Revolution in India as experienced today was not so many years back because virtually all the best brains were not studying in India; but a sudden return back to India gave birth to this beneficial development. Although, some people attributed the decline in India overseas studying also to global recession and increased fee to study; this is not applicable in all countries where they are found because while there is a reduction in the number of application for a place like UK dues to immigration and workplace policies imposed by the government, other countries like Canada and Australia still experience a stable enrolment.

Education has helped in economic development in many areas. For instance, income is generated by the government through tax payment by the institutions and is inversely proportional to what they are make annually. This revenue varies from one nation to another; depending on the number of academic institutions that they may have and also in the number of entrants. More-so, education has led to a reasonable level of competitiveness among nations because the institution gain a lot in terms of tuition fees paid by students while they also contribute to the local economy. For instance, International students in Canada spent over \$8.2billion on tuition and accommodation, generated revenue that is over \$455million on tax. Creation of Jobs is another major influence of education on economic growth. International students supported over 87,000 jobs for year 2010 (World Fact-book, 2010).

Significance of Education, Skill and its Impacts on Employability

Education is the backbone of each family that too women's education is very essential. Nowadays, the value of education is just earning a degree without a goal, why this happens? The reason is lack of reinforcement, loss of hope on employment. "Nation does not need pointless, goalless youngsters, instead need mindful, talented, skilful youth to compromise the dynamic society and improve the status of our country among others". So the government has the responsibility to bring the hope and set stage for the youngsters of India.

Each individual has to think and answer these questions like where we stand? What we have? Where has to go? What is our life time goal? How to bring the status in the society? This is not only for the people and also for the nation. The Nation also should set the goals on what we have? What must be taken initiative to improve the economic growth? What are all the sectors that need attention to improve the economic growth? So select that kind of areas and plan the strategies to implement the methodology which should contain need based education and skill development and plan for periodic monitoring.

Education alone is not needed. For proper execution, skill is necessary. In India, importance of skill is an unattended aspect except in few areas like Medicine, Engineering etc that too not everywhere. What about other areas of studies? The graduates are still struggling in communication, lack of boldness to present the presentations. India is composed by demographic dividend with multiple languages, cultures, religion etc. So teaching in common language is not possible like other countries, if we do it, other issues crop up.

Skill Learning

Having knowledge alone is not adequate to bring the changes, the need of skill to execute properly is important. Now the new ministry introduced “Skill India Mission” for the youth to meet their domestic demands and also for the betterment of economic growth of our nation. Through this mission, Jobless, school dropouts, graduated, uneducated, and women will be given training based on their knowledge and ability which will certify them to get the jobs. For the students it will be starting from the school to provide communication skill, entrepreneurship, problem-solving skills, etc.

The skill India mission has been introduced all over the India. It is not only for the schools, “SKILL FOR ALL” irrespective their education, sex, age etc. The central government has many vocational and professional skill-based training programmes. Apart from the courses the mission is planning to reach the rural India also. So the main aim of the mission is reach the outreach population. Training will be given to carpenters, black smith, masons, nurses, cobblers, welders, tailors, weavers etc. Importance will be given to the area where the government can improve the economic growth like real estate, construction, jewelry designing, tourism, banking, transportation, gem industry, textile etc. It will improve the individual earnings and which directly influence economic growth of the nation.

The mission also plans to bring the courses for specific age groups on language and communication skills, personality development skills, behavioral skills, life and positive thinking skills, including job and employability skills which will be conducted by group discussion, games, brainstorming, simulation, practical experiences and case studies etc. This will be managed by academic institutions, public and private sectors, Nongovernmental organizations etc.

Quality of schooling institutions and Economic Growth

Micro economic evidence of productivity increasing the effects of education and skills, it is naturally extending the view to the macroeconomic perspective of long run economic growth of countries. It is same like education earning relationships. There are three mechanisms through which the education may affect economic growth.

First, education increases the human capital inherent in the labor force, which increases labor productivity and transitional growth towards equilibrium level of outputs. Secondly, education may increase the innovation capacity of the economy and the knowledge on new technologies, products, processes, promotes growth. Thirdly, education may facilitate the diffusion and transmission of knowledge needed to understand the process new information and to implement successfully new technologies devised by others, which again promotes economic growth.

Problems and Policies

Today, problems of identification are too high in India. For example, concentrating on teacher’s salaries, class size, and institution benefits etc., secondary schooling literacy rates are low. There are encounter sporadic or nonexistent assessment of student education which is are important issues. The shift of focus of focus from year of schooling to cognitive skills has important policy implications because policies that extend schooling may be very different from best policies to improve skills. The policy conundrum is that student achievement has been relatively impervious to a number of interventions that has been tried by countries around the world.

1. Improve and revise the health and nutrition policy which directly influences children’s ability to concentrate and leads to gain in basic achievements.
2. Create awareness about people involvement for support their children and provide path to develop their skills.
3. Strongly need to change the structural changes in curriculum and school institutions.
4. Recover school resources and skill-based education.
5. Improve incentives for student’s performance and strong accountability system that accurately measures a student’s performance.

6. Local autonomy that allows schools to make appropriate educational choices and competition in schools, so that parents can enter into determining the incentives that schools fare.

7. The student autonomy also considered because parents should not impose to select the path.

Cognitive skills have powerful effects on individual earnings on the distribution of income and on economic growth. Changes in curriculum structure and measurements of tools which assess cognitive skill are needed to bring the better impact on economic growth, because economic growth is strongly influenced by the skills of labour force in India.

Conclusion

Education in every sense is one of the fundamental factors of development. No country can achieve sustainable economic development without substantial investment in human capital. Education enriches people's understanding of themselves and world. It improves the quality of their lives and leads to broad social benefits to individuals and society. Education raises people's productivity and creativity and promotes entrepreneurship and technological advances. In addition, it plays a very crucial role in securing economic and social progress and improving income distribution.

The most important thing is getting everyone to having a right orientation in terms of cultural values that are passed from one generation to another. Education is indispensable to economic development. No economic development is possible without good education. A balanced education system promotes not only economic development, but productivity, and generates individual income per capita. Its influence is noticeable at the micro level of an individual family.

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