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EDUCATION IN ECONOMIC DEVELOPMENT

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There can be no dispute over the potentially large role that education can play in facilitating economic development in today's developing countries. It is not that various developing nations are unaware of this. For the developing world, one constraint is the lack of resources. Till recently the want of political will aided and abetted the low spread of education and hence the existence of a high level of illiteracy in these countries. A study of the Japanese economic history and that of the Newly Industrializing Countries forcefully brings out the

point that complacency can no more be tolerated on this front. The economic histories of Japan and the Newly Industrializing Countries show that without a basic societal infrastructure that develops its human capital, no country is going to post remarkable economic growth.

Role of Education in Economic Development:

Probably the most important contribution of education is that the societal rules are rewritten and a society that values merit is

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built up. A society that promotes the dissemination of education creates new rules for social and economic advancement of the individual. A person's lineage no longer determines how far he would go and how high he would rise in station in life. Numerous opportunities in hitherto restricted fields open up due to the economic development. The liberalization of various economic policies broadens the scope of opportunities. What counts in the new social milieu to succeed is that one prove one's merit in a competitive social setup. Endowed with education, a person can rise as far as his capabilities permit. The old, pre-modern values no longer restrict a person's mobility in the new society that places increasing emphasis on meritocracy. Formerly education was the privilege of the favored few who were the social elite or near the top of the hierarchical pecking in society. With access to education widely available. the hitherto underprivileged classes of society naturally turn to education as a key to upward social mobility.

Secondly, it is inevitable that the modernizing country has to import various technologies from abroad for industrial progress etc. The larger the spread of basic education, the easier it is for the imported technology to diffuse. For one, the ability to read and write helps when a new production process is explained to workers. For the other, exposure to education makes the populace receptive to new and outside ideas. Thirdly, the society receives what has been called as a "training in being trained". People exposed to some conscious and disciplined learning are more likely to respond to further training, whether it is at the village agricultural association promoting new agricultural techniques or at the factory where modern technologies replace traditional ones.ⁱ

THE JAPANESE AND THE INDIAN EXPERIENCES

Numerous other positive effects can be listed, but for our purposes the above would suffice to prove the point that there is immense scope for education to contribute to a country's modernization. In the Meiji era, the government's push to increase the spread of education soon resulted in a society where whether one sprang from an erstwhile samurai family or not tended to have a rapidly declining relevance for a person's advancement in society. Everyone was equal in the modern setup and had equal access to education and if the lowly peasant's son could better the former samurai's offspring, his station in life tended to be higher. Similar situations were not uncommon in India in the 1960s when the small peasant's son could enter the elite bureaucracy (called the Indian Administrative Service), utilizing the opportunity for education now open to him. His jurisdiction would easily cover hundreds of villages like the one he came from. The former village elite, who had held power and prestige would now plead for official favors from him.

The conventional wisdom is that in the Japanese case a). the heritage of the Tokugawa education was exceedingly important in the initial stages of economic development, b). the literacy rate even at the time of Meiji Restoration was quite high and that c). this high level of literacy played a very important role in the modernization of Japan. Elsewhere I question all the above and indicate that though the heritage from the Tokugawa period was

important, it was not as huge an advantage as it is made out to be. The literacy levels at the time of Meiji Restoration were impressive but a close analysis shows that over the long term Japan's experience resembles that of today developing nations. The school enrollment ratios for historical Japan were high and this is well known. What is less well known is that the drop out ratios were also very high. The contribution of literacy to the modernization process has also been exaggerated as a large share of the labor force had not undergone compulsory education.

WOMEN EDUCATION:

Women's education always lags behind men's in a number of developing countries. The experience of Japan was similar. It is estimated that around 45% of males had undergone some kind of schooling just before the Meiji Restoration. The figure for women was only 15%. The societal discrimination against women's education continued. The following Table no.1 serves to illustrate the point.

TABLE NO.1 SCHOOL ENROLLMENT AND DROPOUT RATIOS FOR JAPAN, 1881-1913

	MALES		FEMALES	
	(A)	(B)	(A)	(B)
1881	69.0		34.3	
1885	73.0		41.4	
1890	72.0		38.8	
1895	86.8	28.8	58.8	57.8
1900	90.6	23.2	71.8	35.9
1905	97.7	10.6	93.1	27.3
1910	98.8	21.3	97.4	37.2
1913	98.7	16.8	97.5	27.8

Note : A = Enrollment / Total school age population

B = Dropouts / Total school age population

Source: Kazushi Ohkawa, School education in modern Japan: Economic evaluation and possible relevance to contemporary less developed countries, IDCJ Working Paper Series No.33, (Tokyo: International Development Center of Japan, March 1986).

In the case of India we can consider its post—Independence period as roughly comparable to the early phases of Japan's modernization. Around 1951, total literacy rate in India was a little over 18% with the figure for males around 27% and that for the females, an abysmal 9%. While the overall literacy rate reached 52% in 1991, the disparity between the sexes continued with the male rate being around 64% and the female rate 39%. Table no.2 reveals the similarity with Japan in terms of the enrollment and dropout ratios.

TABLE NO.2
PRIMARY SCHOOL ENROLLMENT AND
DROPOUT RATIOS, INDIA, 1950-51
TO 1980-81

	MALE		FEMALE	
	(A)	(B)	(A)	(B)
1950-51	60.6		24.8	
1960-61	82.6	65.3	41.4	75.0
1965-66	96.3	68.6	56.5	78.7
1970-71	92.6	66.1	59.1	74.4
1978-79	95.7		62.0	
1980-81	95.8	48.3	64.1	58.2

Note: A = Gross enrollment ratio as percent to total population

B = School dropout ratio

Source: 'Social Indicators of Development for India: Special Statistics', *Economic and Political Weekly*, Vol. XXIX, No.20, (Bombay: May 14, 1994) pp. 1231—36.

The overall trends in the two countries seem roughly similar, but what is striking is the quite large dropout ratios seen in the case of India. Additionally, in the Indian case we find that not only do the female enrollment ratios have tended to grow much more slowly compared to historical Japan, the dropout ratios are also seen to be quite high for both males and females. What does this imply? The promotion and diffusion of education in India has to be stepped up even more than at present. The Japanese historical case can be used as a model to test a country performance in the educational field. This is because of the fact that despite widespread belief to the contrary the Japanese case was not very different from that of a typical presentday developing country. 1 v

In India, wherever women's education has become widespread, we find that it becomes easier to bring under control hitherto widely prevalent diseases. Basic cleanliness and sanitation habits are easily taught to and made a habit of, by the literate than the illiterate villager. Infant mortality figures tend to decline. The mother who is educated takes an interest in her children's education. An important contribution of education to women is the economic independence it is able to provide them through the enhancement of their capabilities to earn money.

Problem Areas:

There are a number of issues to be tackled. The various disparities that are seen in Indian education are sometimes so daunting. The academic centers of excellence in India produce a steady stream of graduates who find it easy to find jobs in the West using their special knowledge and

skills. At the same time primary education facilities are lacking at the village level in a number of areas. The astronomical amount of money that go into the running of any one center of higher learning in India could easily take care of the needs of a thousand primary schools at the village level. There are villages in India where basic facilities like blackboards can be in short supply. At the same time, India also happens to be the second largest exporter of computer software to the world. The economic and educational histories of the successful countries clearly indicate that creating basic educational facilities while taking time, would in the long run contribute to the formation of a strong base of human capital. This also would be the egalitarian as against the elitist approach. But having created the basic infrastructure for the various research centers and centers of higher learning, can they be starved of funds, particularly when India has created a scientific and technological capability on its own? Such are the dilemmas that India will live with for yet some time to come.

i Dore, R.P., <u>Education in Tokugawa Japan</u>, (London: The Athlone Press, 1984), pp 292-4. ii G.Balatchandirane., 'A critical assessment of the role of education in the modernization of Japan', <u>China Report</u>, (New Delhi), forthcoming 1995.

iii Dore, R.P., endnote i, Appendix I.

iv See G.Balatchandirane, endnote ii, especially the conclusion.

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