

Education and Economic Developments-2

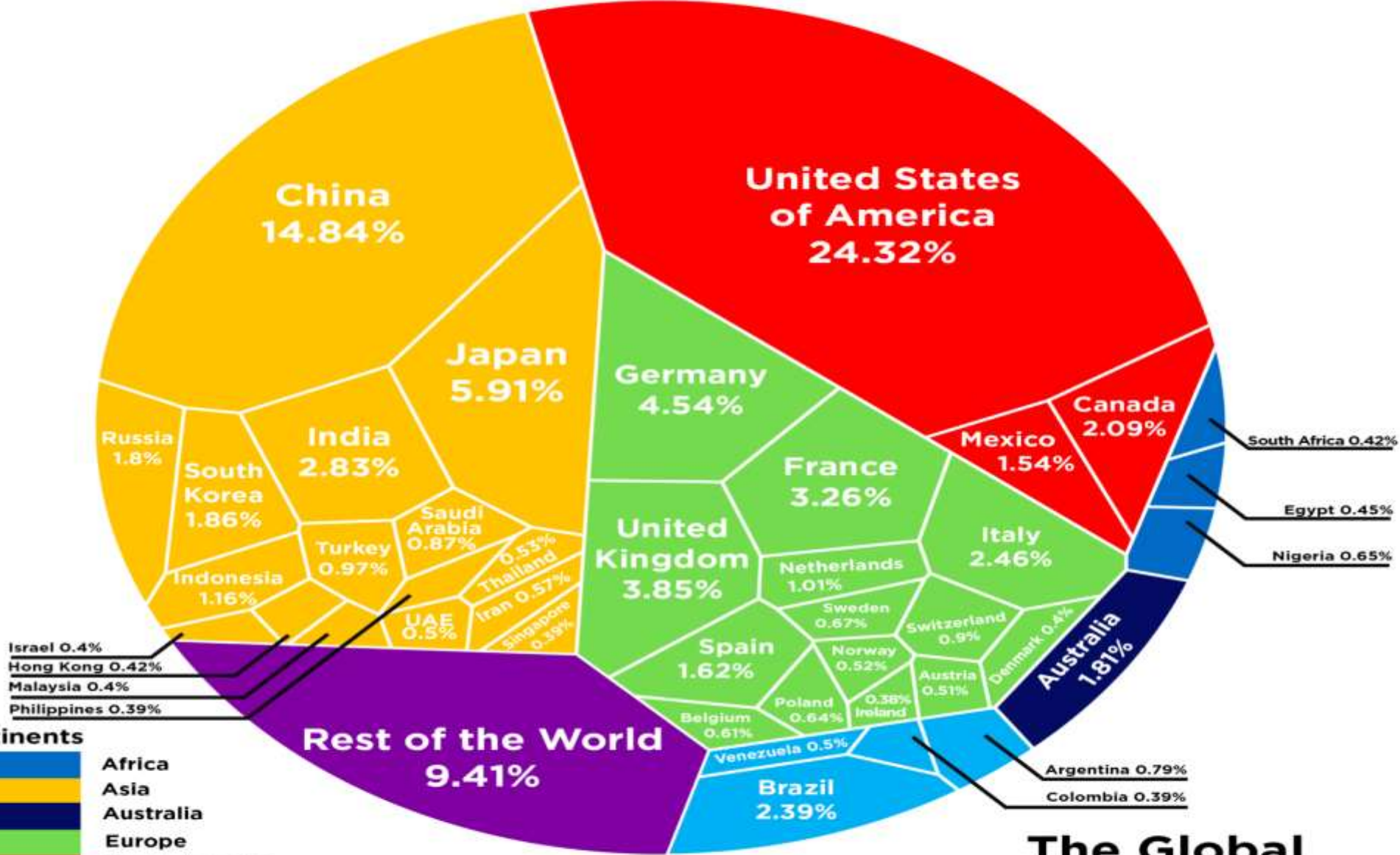
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M.Ed. Semester- I

CC-2:Historical,Political and Economic Perspectives of
Education

Comparison the Economic Status of India



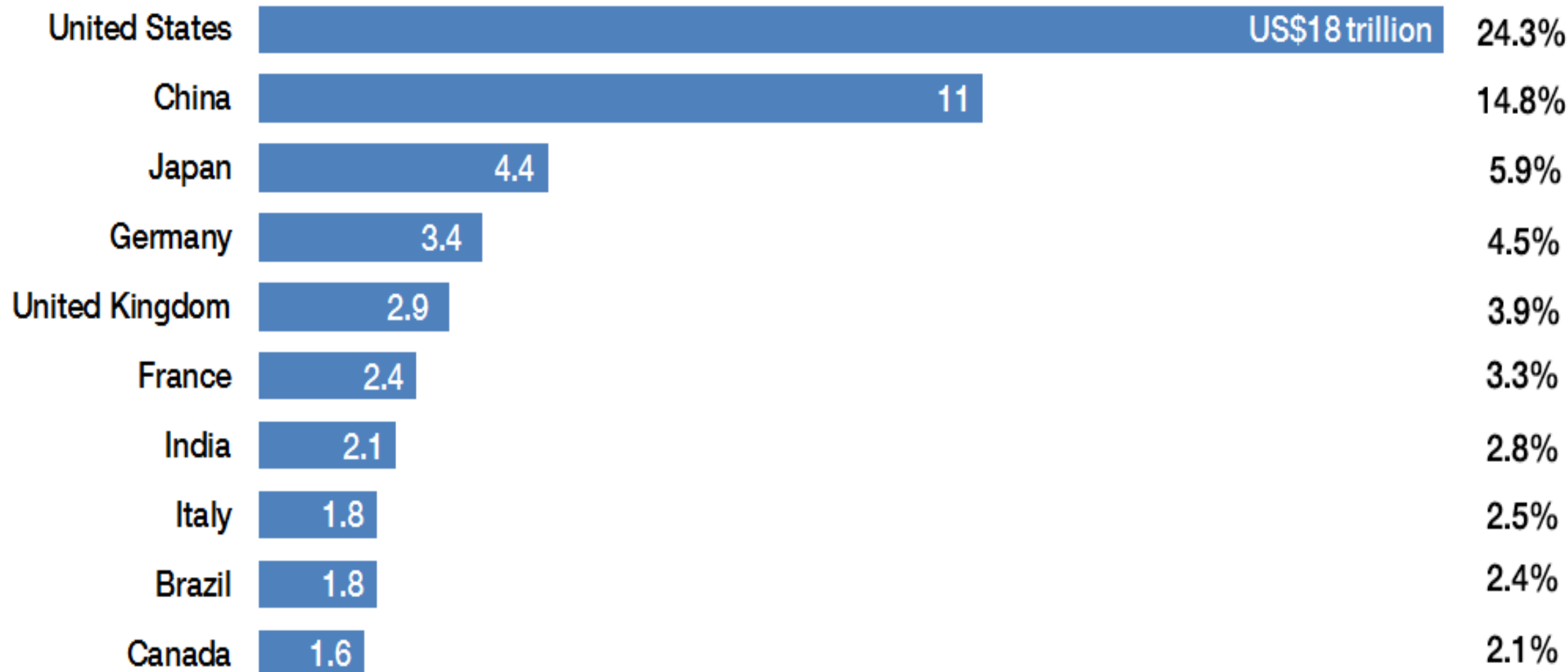
- Continents**
- Africa
 - Asia
 - Australia
 - Europe
 - North America
 - South America
 - Rest of the World

Economic status

- The economy of the United States is the largest in the world. At \$18 trillion, it represents a quarter share of the global economy (24.3%), according to the latest
- China follows, with \$11 trillion, or 14.8% of the world economy. Japan is in third place with an economy of \$4.4 trillion, which represents almost 6% of the world economy.
- European countries take the next three places on the list: Germany in fourth position, with a \$3.3 trillion economy; the United Kingdom in fifth with \$2.9 trillion; and France in sixth with \$2.4 trillion.
- India is in seventh place with \$2 trillion, and Italy in eighth with an economy of over \$1.8 trillion.
- Ninth place goes to Brazil, with an almost \$1.8 trillion economy.
- And in 10th is Canada, with an economy of over \$1.5 trillion.
- The economy of the United States is larger than the combined economies of numbers three to 10 on the list.

The world's biggest economies

GDP in current USD and share of global total, latest World Bank data, 2015



Fastest-growing economy

- The US may not dominate for much longer, however.
- Although China trails the US by \$7 trillion, it's catching up. China's economy grew by 6.7% in 2016, compared with America's 1.6%, according to the IMF.
- China has also overtaken India as the fastest-growing large economy. The IMF's World Economic Outlook estimated China's economy grew at 6.7% in 2016, compared with India's 6.6%.
- Brazil's economy has contracted in the last year by 3.5%, the only one in the top 10 to do so.
- The chart above shows the world's 40 biggest economies individually, but grouped by colour into continents.
- The Asian bloc clearly has a larger share than anywhere else, representing just over a third (33.84%) of global GDP. That's compared to North America, which represents just over a quarter, at 27.95%.
- Europe comes third with just over one-fifth of global GDP (21.37%).

- A new study by PricewaterhouseCooper says that China will be in first place by 2050, because emerging economies will continue to grow faster than advanced ones.
- India will rank second, the US will be third, and fourth place is expected to go to Indonesia.
- The UK could be down to 10th place by 2050, while France could be out of the top 10 and Italy out of the top 20 as they are overtaken by faster-growing emerging economies such as Mexico, Turkey and Vietnam.
- The report also says that the world economy could more than double in size by 2050, far outstripping population growth, due to technology-drive

Types of countries

- Advanced
- Semi-advanced

- **Developing:** Increasing in capital resources, improvement in efficiency of labour, better organization of production in all spheres, development of means of transport and communication, growth of banks and other financial institutions urbanization, rising of living standard, improvement in the standard of education, expectation of life, greater leisure and more recreational facilities and widening the mental horizon of people.
- Economic development must break the poverty barrier or the vicious circle and bring a self generating economy so that economic growth becomes self-sustained.(Nuske)
- Underdeveloped: Low per capita income, unutilized resources, predominance of agriculture,, heavy pressure of population on land, large scale unemployment, capital deficiency, low level of technology, absence of necessary infrastructure

How does Education affect the Economic growth?

- Education creates awareness among poor.
- It promotes economic wellbeing.
- ~~It induces the middle class to aspire for better position and it enables the affluent to achieve greater success.~~
- “It is education that determines the level of prosperity, welfare and security of the people. On the quality and the number of people passing out for our schools and colleges will depend the success in the great enterprise of national reconstruction whose principal objective is to raise the standard of living of our people.”-Kothari Commission
- Education influences economic development through changing attributes relevant to economic development in its capacity as a relevant economic input. Ex. Education alters the attitude to work, consumption, preferences, saving, economic rationality, innovativeness, flexibility, attitude towards family size and various social attitudes relevant from the economic point of view.

What are economic benefits of education?

- **Direct financial returns-educational attainment correlated with earnings**
- **Financial options- additional education and reaping extra benefits**
- **Hedging options-adopts to effect of technological change**
- **Non-market returns- all the –do-it yourself: teach your children, filling income tax, doing homework etc.**
- **Residence- related benefits-reaped by individual's neighbors, accruing to tax payers, accruable to current family and future family**
- **Employment related benefits: refers to the effect of educated individuals on the overall productivity of his colleagues, in situation when production involves cooperative effort.**
- **Societal benefits; minimizing the need of corrective and welfare services, economic growth and reduces financial burden**

Indications of Educational Development

- Level of literacy in the country

- Technical and scientific manpower
- Enrolment ratio at higher education level
- Wastage and stagnation at different levels
- Output of eminent persons in various walks of life
- Social relevance of the curriculum

Indications to Assess Country's Economic status

- Gross national product
 - GDP
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- National income
 - Per capita income of different groups
 - BPL
 - Consumption of electricity, paper, cement, steel etc.
 - Monetary and physical system
 - Inflation rate