INDIA’S NEW EDUCATION POLICY AND ECONOMIC GROWTH

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Abstract

India holds an important place in the global education system and it’s still a lot of potential for further development in the education system. The Indian government introduced a variety of programs to address the problems of illiteracy in both rural and urban. The first National Policy on Education was introduced by the prime minister of India Miss Indira Gandhi in 1968, which was called as "radical restructuring". The policy suggested for higher education reform as the number of students to be admitted to a college or university should be determined with reference to the laboratory, library and other facilities like research program’s and the strength of the staff for the available students. The government under the leadership of Prime Minister Rajiv Gandhi introduced a new National Policy on Education in May 1986. In this paper, we mainly focused on the causal relationship between higher education and economic growth in India. India will contribute nearly 140 million people in the college-going age group and one in every four graduates in the world will be a product of the Indian education system. Higher education increases the human capital inherent in the labour force, which increases labour productivity and transitional growth towards the equilibrium level of outputs and increase in GDP.

Keywords: Education policy, higher education and economic growth.

I. INTRODUCTION

India is one of the largest higher education systems in the world. However, there is still a lot of potential for further development in the education system. India holds an important place in the global education system. The country has more than 1.5 million schools with over 260 million students enrolled and about 751 universities and 35,539 colleges. Since the country's independence in 1947, the Indian government introduced a variety of programs to address the problems of illiteracy in both rural and urban India. Based on this several commissions like University Education Commission (1948–1949), the Secondary Education Commission (1952–1953) were formed to reform the educational system and the Kothari Commission (1964–66) to modernize India's education system. India's first Prime Minister Jawaharlal Nehru’s government proposed the development of high-quality science education institutions such as the Indian Institutes of Technology’s and to establish it in all the States. In 1961, the Union government formed the National Council of Educational Research and Training (NCERT) as an autonomous organization for higher education that would advise both the
Union and state governments on formulating and implementing education policies in India. Dragoescu Raluca Mariana (2015), Education is one of the most important factors of the economic growth in every country. In this paper, we investigate the causality relationship between higher education and economic growth in India. As a measure of the economic growth generally based on GDP per capita and education, and we studied the economic growth based on the number of students enrolled in higher education institutions.

II. OBJECTIVES
1. To examine the various studies on new education policy in India.
2. To study the education policy and economic growth in India.

Methodology
The data based on secondary sources collected from the various reputed journals, reports, articles, books, the bulletin published and unpublished Governments reports and websites. The data was collected from 2010-2011 to 2015-2016 and simple percentage method and pie diagram used for the analysis.

National Educational Policy in 1968
The then prime minister of India Miss Indira Gandhi implemented the first National Policy on Education in 1968, which was called as “radical restructuring” and it was aimed to give an equal educational opportunity for all. The policy was framed by the Indian education commission popularly known as Kothari commission. The commission was formed on 14 July 1964 under the chairmanship of Daulat Singh Kothari, chairman of the University Grants Commission and the report was submitted by the commission on 29 June 1966. The policy also suggested for higher education reform as the number of students to be admitted to a college or university should be determined with reference to the laboratory, library and other facilities like research program’s and to the strength of the staff for the available students. Considerable care is needed in establishing new universities. These should be started only after an adequate provision of funds has been made for the purpose and due care has been to ensure proper standards. It is necessary to give increased support to research in universities generally. The institutions for research should as for as possible function within the fold of universities in intimate association with them.

National Educational Policy in 1986
A committee was set up under the chairmanship of Acharaya Rammurti in May 1990 to review National Policy of Education (NPE) of 1986 and to make recommendations for its modifications. This Committee submitted its report in January 1992, which is known as National Program of Action of 1992. The policy made advice on many aspects like to remove inequalities in the education system, pointed out the importance of special programs for marginalized groups such as women, scheduled tribes, schedule cast and physically challenged peoples. Regarding Secondary Education, National Policy of Education of 1986 stressed on the improvement of the quality of secondary education. Facilities to be made to provide computer literacy in many secondary level institutions and to make the students equipped with necessary computer skills. Regarding higher education, National Policy of Education and Program of Action of 1986 and 1992 emphasized that higher education should provide the people with an opportunity to reflect and find solutions on the critical social, economic, cultural, moral and spiritual issues. So the basic objectives of the National Policy of Education of 1986 and Program of Action of 1992 emphasized that education must play a positive and interventionist role in correcting the social and regional imbalance, empowering
women, and in securing a rightful place for the disadvantaged and the minorities help to build a strong economic growth. Government should take a determination and commitment to providing education for all, the priority areas being free and compulsory education, covering children with special needs, eradication of illiteracy, education for women’s equality and special focus on the education of S.C. (Scheduled caste) and S.T (Scheduled tribes) and Minorities without any discrimination.

**New Education Policy Draft 2016**

The previous policies on education had clear objectives and goals however, due to many reasons all policies were not implemented. The new government under the leadership of honorable prime Narendra Modi set up a committee to bring the changes in education system. The committee formed under the chairmanship of former cabinet secretary T.S.R Subramanian in 2015. The committee framed the new education policy and gave certain suggestion to reform the education structure. The committee submitted its report in May 2016 and kept open for the public to give their suggestion for implementing strong education policy. The draft revealed education has been given comparatively low priority by both center and state government. This must be changed to achieve the significant value. Without further delay, the outlay on education should be raised at least 6% of the GDP. Pre-school education for children in the age group of 4-5 years should declare effectively right to education and programs for it should be implemented immediately. Minority schools should compulsorily make 25% seats reserved for candidates of economically weaker sections. The government should make compulsory licensing and certification mandatory for government and private school teachers with a provision for renewal of every 10 years based on independent external testing, this would not only benefit the teachers and the students to develop the skills. To increase research activities government should allows opening at least top 200 universities across the country to provide the same degree which is acceptable in the home country. Adult literacy program will incorporate skill development and digital, financial and legal literacy. UGC must be made thinner and leaner and UGC Act must be allowed to repeal. A separate management of higher education should be created. Finally, the committee touched all the weak point of moribund education sectors such as low financial allocation, over-centralization, and low investment in teacher’s education and developmental activities in the sector.

**Higher Education in India**

India is a young nation with 54% of population below 25 years of age and the education is necessary to take care of their livelihood needs. Currently, the gross enrolment ratio in higher education is 23%. The government should fix the target to increase it to 25.2% in 2017-2018 and to 30% in 2020-2021. India’s higher education is currently the third largest in the world, is likely to overtake USA in the next five years and China in the next 15 years to be the largest system of higher education in the world. By 2030, India will contribute nearly 140 million people in the college going age group and one in every four graduates in the world will be a product of the Indian education system.

Higher education in India has recorded good impressive growth from the days of independence. UGC, established by an Act of parliament in 1956, is a statutory body of the Government of India. University grants commission (UGC) which is responsible for designing and implementing various schemes through academic, administrative and financial
support has contributed in the growth and development of Indian higher education. In the day today changing business environment, entering of private universities has been a game changer. Many new institutions of medicine, science, technology and others have been introduced. The gross enrollment ratio now at 17.9% will definitely touch 25.2% by the end of 12th five year plans.

According to the Ministry of Human Resource Development (MHRD) higher education institution in the country is classified in to three broad categories; university, college and stand Alone institution (Diploma courses). The Sixth Report on All India Survey on Higher Education (AISHE) for the year 2015-2016, there are 799 Universities, 39071 colleges and 11923 Stand Alone Institutions enlisted by HRMD. 268 Universities are having Colleges affiliated to them, 277 Universities are privately managed. In this 307 Universities are located in rural area and 14 Universities are exclusively for women, 4 in Rajasthan, 2 in Tamil Nadu & 1 each in Andhra Pradesh, Assam, Delhi, Haryana, Karnataka, Maharashtra, Uttarkhand and West Bengal. There are 459 General, 101 Technical, 64 Agriculture & Allied, 50 Medical, 20 Law, 11 Sanskrit and 7 Language Universities. The top 8 States in terms of highest number of colleges in India are Uttar Pradesh, Maharashtra, Karnataka, Rajasthan, Andhra Pradesh, Telangana, Tamil Nadu and Madhya Pradesh. Bangalore district tops in terms of number of colleges with 970 colleges followed by Jaipur with 616 colleges. Top 50 districts have about 34% of colleges. 60% Colleges are located in Rural Area. 11.1% Colleges are exclusively for Women.

Even though presence of these many numbers of higher educational institution, only 1.7% Colleges run Ph.D. program and 33% Colleges run Post Graduate Level program. Total enrolment in higher education has been estimated to be 34.6 million with 18.6 million boys and 16 million girls. The good news is girls constitute 46.2% of the total enrolment which increases annually. Gross Enrolment Ratio (GER) in Higher education in India is 24.5%, which is calculated for 18-23 years of age group. GER for male population is 25.4% and for female is 23.5%. It was found that 1, 26,451 students are enrolled in Ph.D. which includes both boys and girl but that is less than 0.4% of the total student enrolment in higher education.

The maximum number of students enrolled in Ph.D. Science stream stands first followed by Engineering and Technology. On the other hand at Post Graduate level maximum students are enrolled in Social Science stream and Management comes at number two. Students enrolled for Ph.D was 1, 26,451 but only 24,171 students were awarded Ph.D. level degree during 2015 with 14,887 males and 9,284 females. It was also revealed that Ph.D. enrollment students out-turn is maximum in Science stream followed by Social Science. On the other hand at PG level maximum students out-turn is observed in Social Science and Management stream comes at number two. The share of Ph.D. student is highest in State Public University (33%) followed by Institute of National Importance (22%), Central University (14%) and Deemed University-Private (12%).

Simon Marginson (2016), he conducted the study in 1970, found that 10.0 per cent of the world school leaver age cohort enrolled in tertiary education of two years or more. Higher education was mostly a small elite sector, with most graduates becoming professionals or managers. The Gross Tertiary Enrolment Ratio (GTER) exceeded 15 per cent of the school leaver age cohort in only 19 nations in 1971, led by the United
States mass higher education system, with a GTER of 47.0 per cent. Two generations later mass education was the global norm, with 32 per cent of the school leaver age cohort entering higher education, and graduates cohort entering higher education, and graduates working in a wide range of occupations across and down the labour markets. No less than 102 countries had a GTER of 15 per cent and the GTER exceeded 50 per cent in 51 countries, led by South Korea at 98.4 per cent (UNESCO, 2015). Social outcomes are primarily shaped by economic resources and social power, and inequalities are reproduced from generation to generation unless governments, and an education system with egalitarian intent, intervene to even up social opportunity. At best, along with high quality egalitarian early learning and schooling, higher education helps to enhance relative social mobility by bringing many students from poorer backgrounds into the professions. However, the scope of higher education to create equality of social opportunity should not be overstated (any more than its capacity to generate economic productivity and prosperity should be overstated). Higher education is not the most potent force in social equality/inequality and social mobility. Wage and salary fixation, and government taxing and spending, are all more important; and in societies such as those in Nordic Europe where higher education makes a difference it does so in conjunction with these other elements. It appears that the role of education in social allocation—its scope to make a difference by enhancing absolute and relative social mobility varies between countries and over time.

<table>
<thead>
<tr>
<th>Year</th>
<th>PhD Male</th>
<th>PhD Female</th>
<th>Post Graduates Male</th>
<th>Post Graduates Female</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-2011</td>
<td>47964</td>
<td>29834</td>
<td>77798</td>
<td>917764</td>
<td>2104334</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011-2012</td>
<td>49296</td>
<td>32134</td>
<td>81430</td>
<td>1115288</td>
<td>2351664</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012-2013</td>
<td>55654</td>
<td>39771</td>
<td>95425</td>
<td>1144494</td>
<td>2355904</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013-2014</td>
<td>64772</td>
<td>43118</td>
<td>107890</td>
<td>1294879</td>
<td>2544598</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014-2015</td>
<td>69562</td>
<td>47709</td>
<td>117272</td>
<td>1362816</td>
<td>2646612</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015-2016</td>
<td>74460</td>
<td>51855</td>
<td>126315</td>
<td>1500877</td>
<td>2808794</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Source: Ministry of Human Resource and Development

The above table shows that, the enrollment of PhD and PG programs from 2010-2011 to 2015-2016 for male and female. The PhD enrollment for male was 62% in 2010-2011 and decreased to 59% in 2015-2016. The reasons for decreasing the male enrollment in higher education was due to the propagation of disparities in access to education, especially in terms of the expansion of the private and self-financing education institutions, with their main aim of commercial intention. The cost of private education is very high and it has affected by the poor to access their education. But the female enrollment has gradually increased from 38% in 2010-2011 to 41% in 2015-2016. The enrollment of PG programs also gradually increased for the past five years. During the year 2010-2011, the PG enrollment for male was 53% and it declined to 47% in 2015-2016. For female enrollment the percentage seems to be positive, because in 2010-2011 the enrollment was 47% and gradually increased to 53% in 2015-2016. It is important to note that, the various
schemes launched by the government of India towards the promotion of higher education for female. So it increased the female enrollment for PG programs.

*Figure 1* PhD Enrollments (2010-2011 to 2015-2016)

Education and Economic Growth

India, as the world's largest democracy, plays an interesting role in the development of higher education as it weaves a future that is impacted by both globalization and Western influence Keith J. Roberts (2017). These trends have put pressure on the system as it moves toward an American compatible four-year degree while at the same time attempting to provide meaningful education to a broader range of students in an efficient manner. First, India has emerged as a significant international player in the world economy and is striving to improve and grow its higher education enrollments, institutions, and quality. This dramatic growth requires increased investment on per unit basis. As a result of this growth, the drivers of increasing unit cost that are outlined are even more accentuated in a country such as India. For example, the percentage increase in investment in research is by necessity quite high in a country that is developing new research from a lower base of research productivity than that in a developed nation.

A high rate of educational enrollment is essential for countries to be able to achieve high levels of economic growth so that the developing countries should grow faster than rich countries because they can adopt cutting edge technologies already tried and tested by rich countries.

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 labour force via high-quality education; a well-educated labor force possessed a positive and significant impact on economic growth through factors accumulation and on the evaluation of total factors productivity.

First, education increases the human capital inherent in the labour force, which increases labour 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. According to a recent OECD report (Organization of Economic Co-operation and Development), providing every child with access to education and the skills needed to participate fully in society would boost GDP by an average 28% per year in lower-income countries and 16% per year in high-income countries for the next 80 years.

**III. CONCLUSION**

The development of knowledge society requires a new attitude to Indian education policy finding and combining new ways of supplying knowledge in relation with other policies as well. A general economic condition in India is favorable for implementation of education policy. Spending on education as a share of the both state and central government's total budgeted expenditure has been falling for the past three years. Compared to 2013-14 the previous government, education got 4.57% of the total expenditure, which has been a steady decline of 3.65% in 2016-17. Since 2016-17, the government has rejected the sharing pattern of central schemes in key sectors, including secondary and higher education, with a lower outlay in the budget and more direct transfers of funds from education sector pointed out by the 14th Finance Commission's recommendation, seems to worsen the situation by creating unskilled labor force. At present there are about 8.6 million school teachers and 1.5 million higher education teachers in the country is not sufficient for the growing population. So, India needs to prepare teachers through well-equipped training colleges in order to produce skilled students. In future these literates turn into healthy labour force and contribute in increasing the GDP level. The strategic goal of India’s National Education policy is to create effective and cohesive, based on the rational use of resources and quality education systems.

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