

Economics Behind Education: Elements of Development Outcomes through Political Involvement

Dr. Valliappan Raju Karuppan Chetty, Dr. Siew Poh Phung

Received 14 September 2018 ▪ Revised 23 October 2018 ▪ Accepted 24 November 2018

Abstract: The aim of this paper is to expose the economics behind education, which serves as social protection weapon to developing nations. The basic criteria for inclusion into developed nations require that certain thresholds be met with regard to per capita GNI, a human assets index, economic vulnerability index and education level (United Nations Economic and Social Council Report, 2013). Education level is considered as key component equivalent to economic vulnerability index. Such vital factor, whether driven by appropriate policies and progressive measures, is what this research paper thrives to disclose. Three types of analysis are undertaken viz. Multivariate Logit Analysis including cross tabulation, Empirical strategy method and lastly a thematic analysis with the focus of sustainability in higher education. The secondary data are based on information obtained from the Statistics Division and the Population Division of UN/DESA, also from 5 UN regional commissions, the UN Conferences on Trade & Development (UNCTAD), UN World Tourism Organization (UNWTO), the International Monetary Fund (IMF), the World Bank, the Organization for Economic Cooperation and Development (OECD), and national and private sources. It is identified that several nations though having strong political interference in education, their growth in terms of economy and wellness is not satisfactory. Privatization of education (social protection program) has been a severe cause of this, followed by the factor affordability. Developing nations are far from affordability to protect them from digitalization or innovation or rapid development. This research paper identifies those elements and submits a humble view to overcome this parity.

Keywords: Education, Social Protections, Economics of Education.

INTRODUCTION

Education is a core of the public life, including cultural, which unites and cements the society, indicates the future development and ensures this development enables the society to have protected its competitive place in the global division of labor that maintains social stability. The system of education is a complex social instrument of solving social problems, modernization and optimization of public life, integration of the entire community, the continuity of the educational process throughout life, providing competitive advantage and appropriate future for each subject of the educational space.

The methodological basis of research are scientific notions of universal connection and mutual conditionalism of phenomena, the basis of which pedagogical artistry should be considered as a whole, which combines acting, directing skills, personal and professional quality, professional ability. For the content and structure analysis of pedagogical artistry of high schools teachers were used a system-structural, personal approach that allowed us to reflect the diversity of the studied phenomenon.

Economics is described as the study about the scarcity of available resources. It explicates the relations among the components like demand and supply of the resources that are available. It is interesting to note that economics apart from studying in detail their relationships, it performs as a sharp

Dr. Valliappan Raju Karuppan Chetty, Sr. Lecturer, Limkokwing University of Creative Technology, Cyberjaya, Selangor, Malaysia.

Dr. Siew Poh Phung, Faculty Head, Limkokwing University of Creative Technology, Cyberjaya, Selangor, Malaysia.

tool to calculate the disparity of them also. This helps the ordinary people to realize it growth and perish. The majority of economists treat economics as a tool to analyze the country's financial situations, currency exchange value, corporate activities, policies of the government, impacts of politics and trade etc. Since 1910, there were some minimal studies about service sectors. The service sectors comprises of healthcare, legal consulting, education, charity exertion etc. But it is an admitted fact that there is very little about economic studies on education. The economics of education literature cannot be annotated since there are very limited articles in Mark Blaug's (Blaug, 1966), first bibliography on the topic. Economics cannot mingle with education, since economist's view that there is no big commercial return in it. Education can never be luxurious, as it cannot be avoidable at any cost. "U S president Obama in 2012 said "Higher education in America cannot be permitted to be treated as luxury. It is an essential and economic crucial, that each and every American family has to be affordable" (Obama, 2012).

Sustainable Development Post-2015 Begins with Education

The international community of countries has accepted and recognized education as a basic fundamental right, for more than fifty years ago. Millennium Development Goals in 2000 accepted and acknowledged that education is an unavoidable and associated means of individuals, to recognize their capabilities, and given top priority to complete the primary school education. Understanding the importance of education in agreements, conventions, and treaties, the international society has still to identify the potentiality of education like a catalyst to induce development and growth. Though numerous governments have enhanced their assurance and commitments to support positively for education from 2000, its emphasis on donors remain susceptible to changing situations financially or otherwise. In coming periods, the international society has to construct a room to review its obligations and commitments to young, and creative whose shouting's are never heard. It is highly important that all interested should work together and make commitment again to revoke the power and importance of education. The Open Working Group on Sustainable Development Goals, released in July 2014, recognized the importance of education, which recaps that education, is not a conclusion but also the means and ways to achieve the great global growth agenda. This research paper contributes brief, evidence based summary of the various methods by which education will progress after 2015 sustainable improvement objectives. It highlights the view that the continued development for all nations is possible only by the complete and sincere efforts that starts with education.

Education is like a knife edged weapon which can convert a country from poor to rich. Education is vitally significant that citizens and politicians highly concern and care about. It is interesting to know and study about the evolution of education. From Plato's Academy in ancient Greece in 427 BC, where Aristotle studied, Nalanda university in ancient India [Bihar], the ancient learning of higher learning in 5th century, Oxford University College established in 1249 AD in England, which is claimed as being the oldest college of

University, the numerous Universities around the globe to the discovery of correspondent and online degree courses in late 20th century, the scenario in higher education is continuously changing. While this evolution has led to improvement of the higher education sector, progression in educational aspirations & attainment, ongoing development in these dimensions are imperative (Valliappan, 2017). The disputes that higher education faces today is both novel as well as recognizable like flexibility, involvement of politics, efficiency enhancement, financial responsibility, competitiveness, quality outputs, policies of government, and market share enhancement. But the dwindling and changing world that we live today, as journalist Thomas Friedman in 2006 referred, the world in this 21st century, which is highly interconnected, provides new ideas and causes of these issues. It is very important to mention this, to recognize the factors of economy in education to bring development. In a total of 196 countries, 57 countries are alone described as developed or industrialized countries. Say about 5 billion people alone dwell in the developing nations, while the rest dwells in the transition nations (Limkokwing, 2008). In the developing countries, say about 1.2 billion people are said to live beneath the international poverty line and their earnings are likely to be less than one US dollar per day. Poverty often exhibits it as the main cause of conflict throughout the history of mankind. It is rather very clear that before creating a safer and peaceful world, poverty eradication is of prime importance.

The portion of the people dwelling in developing nations with a daily income of about 1.25 US dollar, knocked down from 47 % in 1990 to 22 % in 2010. Almost one billion peoples are still likely to become very poor in 2015. The Open Working group proposes to try to eradicate extreme poverty around 2030. Education is one among the strategies to attain this objective. Education will lower poverty indirectly by reducing the population rate and decrease the number of dependants per family. Education provides

knowledge to increase their income and to meet the competitiveness in struggling for existence (Ban Ki-Moon, United Nations, 2016).

We can compare the education and innovation connection and one might understand what happened in Europe and the US recently. The growth in Europe is slow when compared to US. Sapir in 2003 and Camdessus in 2004 explained that the Europe's slower growth is due to the European Union's comparatively smaller investment in higher education of say about 1.1 % of its gross domestic product. US have made investment of about 3 % in higher education. The studies by Schere and Hue in 1992, by using the data on 221 establishments for the period from 1970 to 1985, revealed that establishments where executives with higher technical education spent much more money on research and development which lead to innovation and growth and development. Education enhances and impact growth. After thirty years of World War II, Europe grew faster than US, though Europe made investments mainly in primary and secondary educations. Likewise, the "Asian miracle" ie enormous growth in productivity in Asian countries such as South Korea is coupled with good investments in primary and secondary education than when compared to investments made in higher education. Investigating all these, Kreger and Lindahi in 2001 came to conclusions that in overall education are statistically relatively positively related to ensure growth, only where primary education is at its best.

LITERATURE REVIEW

Early in 1966 Nelson and Phelps clarified that the labor force which had more education, will adopt frontier technology much faster. It was further authenticated by Benhabis and Spoeagal in 1994 that if the labor force is more educated; their innovative capabilities are also faster and greater. Lucas in 1988 and Mankiw, Romer and weil in 1992 found that the human capital accumulation of knowledge might enhance the other factor's productivity and thereby improves growth. AS per the latest OECD report, if the children are provided to access education and necessary skills, it will boost the Gross Domestic Product by 28 % per annum in the lower income nations while 16 % per annum in high income nations on an average. As per the International labor Organization, by 2020 further 280 million jobs will be required. It is too important for the policy makers to provide the right and suitable frameworks like education and skills and incentives so that the jobs can be filled. Strong education system, supported and authenticated by eligible, qualified and professionally trained and motivated teachers will form the basis of this effect.

UNESCO states that in order to reach the basic education targets by 2030, we must try to plug the hole by spending around 22 billion of USD. Though we have the required resources, but the lack of political will to make such huge investments is the only hindrance. Totally more concentration has to be made in the system, and to bring the poorest and the needy children into the educational system. BorgeBrende minister of Norway on 7th July 2015, commented that Education is the basic right for every individual. It is fundamental right for girls as if for boys too. It is a right for disabled children just for everybody. More than 37 million children have not entered the gate of any schools for education in the nations where crisis and conflicts arises. They are directly forced to employ without basic educations. Education is a right to everyone in spite of where they were born or grow up.

METHODOLOGY

The methodology lucidly integrates all these, first distinguishes among the types of education spending and primarily to regard the interactions among the composition of spending. It is not possible to justify the spread array of empirical scrutiny of education and its growth which now exists. Bills and klenow in 2000 argues that though it is correct that we have learnt a lot from it and it tend to find the relation and not the clear direction. There have two types of analysis executed in this research. Both construct method and thematic analysis. Fundamentally this helps to identify the how economics evolve around education, with political implications in Western and African regions.

DATA ANALYSIS

The complete analysis is based upon the sample derived from secondary studies. As this research paper focuses to contribute on philosophies of economics in education, the field work for raw data is eliminated. Though it is against of research process, the significance is given on solutions. Thus based on secondary data from recent researchers have been obtained to perform construct validity. Furthermore, a full thematic analysis is done herewith to substantiate the development outcomes from education arena, and researcher insists on more attention for it.

Multivariate Logit Regression and Cross Tabulation is done in this research, as part of statistical approach. For the purpose of philosophical annotations, a thematic analysis is done. Apart from this, Vandebussche, Aghion and Meghir in 2005 analyzed 22 OECD nations with hundred plus sample size.

Those findings are laid as part of experiential strategy. Thus these three modes of secondary analysis are executed in this research.

Preview of Experiential Strategy

Vandenbussche, Aghion, and Meghir in 2005, hereafter mentioned as VAM, researched and illustrated the issues of education. They researched on 22 OECD nations, every five years between 1990 and 2010 approximately 122 observations. They identified the impacts in small size with minimum data. They commented that spending on education is lagged for number of years. This lagged spending will not overcome any bias caused by left variables such as institutions. VAM tried both time and nation impacts. They estimated the relations between education and growth, which disappeared. It suggested that there was no so much random spending differences in the data. To find how education fuels growth, the researchers tried to analyze the nations that similar topography, but choose various models of investment in education. Such evaluations are intrinsically not up to the level mark. The two nations are similar but they follow different kinds of investments. The basic variable that makes a country's investment in education is not associated with basic changes in its growth prospects. Based on the details of the model, the research was done. All the researches were made on the same basic logic. Usually the politicians will never do any pay back in cash but may do some specific investments like constructing new educational institutions. Whenever a vacancy arises, the nation first in the line will get an opportunity enabling the representative to deliver the payback. It provides a positive feel to the nation's educational institutions.

Various studies establish that migration plays a positive and important role between the investments and the employees working in educational industry. This research is related to observations how universities impact innovation with the topographical areas around them: : Adams (2002); Andersson, Quigley, and Wilhelmsson (2004); Anselin, Varga, and Acs (1997); Fischer, Mafred, and Varga (2003); Florax (1992); Jaffe (1989); and Varga (1998).

Multivariate Logit Regressions

The analysis is based on a logit model of the form

$$\text{Log [p/(1-p)]} = a + b(\text{D4}) + c (\text{AFR}) + d (\text{EAP}) + f (\text{MNA}) + g (\text{SAR}) + h (\text{ECA}) + e$$

where D4 stands for the quality of the project's economic analysis rating, AFR indicates whether or not the project is in the Africa region, EAP indicates whether or not the project is in the East Asia and Pacific region, MNA indicates whether or not the project is in the Middle East and North Africa region, SAR indicates whether or not the project is in the South Asia region, ECA indicates whether or not the project is in the East and Central Europe region, and e stands for an error term. Based on a secondary sample observation of 79 respondents, the coefficients of the regression were estimated as indicated in Logit 1 below (Ayesha Vawda, Peter Mook, J. Price Gittinger and Harry Patrinos, 2014)

1. Asterisk (*) indicates that the coefficient is statistically significant at the 10 percent level.
2. Standard errors indicated in ().
3. The variable AGE represents the project age since effectiveness up to June 30, 1999.

Cross Tabulation Analysis

VARIABLE	LOGIT 1	LOGIT 2	LOGIT 3
D4	0.548	0.458	1.68*
	(0.300)	(0.345)	(0.799)
AFR	0.694	1.857*	
	(0.837)	(1.128)	
EAP	-0.925	-0.403	
	(1.199)	(1.304)	
MNA	-6.231	-7.039	
	(24.328)	(38.626)	
SAR	0.514	1.830	
	(0.903)	(1.189)	
ECA	0.735	1.893	
	(0.920)	(1.192)	
AGE		1.005*	
		(0.464)	
CONSTANT	-2.865*	-5.858*	-2.67*
	(0.974)	(2.007)	(0.731)
NUMBER	79	72	79

Cross-tabulations — Project Outcomes by Economic Analysis in SAR/PAD^a Chi-Square significance test results

Dimensions of Economic Analysis ^c	Project Outcomes ^b	
	Development Objectives	Implementation Progress
ESW and CAS	NV	0.33
Alternative Analysis	NV	0.18
Cost Recovery and Impact of Fiscal Analysis	NV	0.07#
CE Analysis and Quality/Clarity of CB	0.27	0.02##
Risk Analysis – Institutional	NV	0.95
Beneficiary Assessment and Poverty Analysis	0.29	0.08#
Overall Rating	NV	0.06#

Notes:

a - All variables dichotomous and coded as follows:

Economic Analysis

0 = good

1 = acceptable or poor

Project Outcomes

0 = HS (highly satisfactory) or S (satisfactory)

1 = U (unsatisfactory) or HU (highly unsatisfactory)

b - Chi-square significance test results

= significant at 0.05 probability level

= significant at 0.10 probability level

NV = negative value although positive value was predicted ^c

c - No ECON ratings for three of the ten dimensions of economic analysis:

5. Sensitivity Analysis

8. Environmental Analysis

9. Economic Performance Criteria

THEMATIC ANALYSIS

In research, thematic analysis (TA) is used widely among qualitative research method. This approach can be a set of patterned meaning across a dataset.

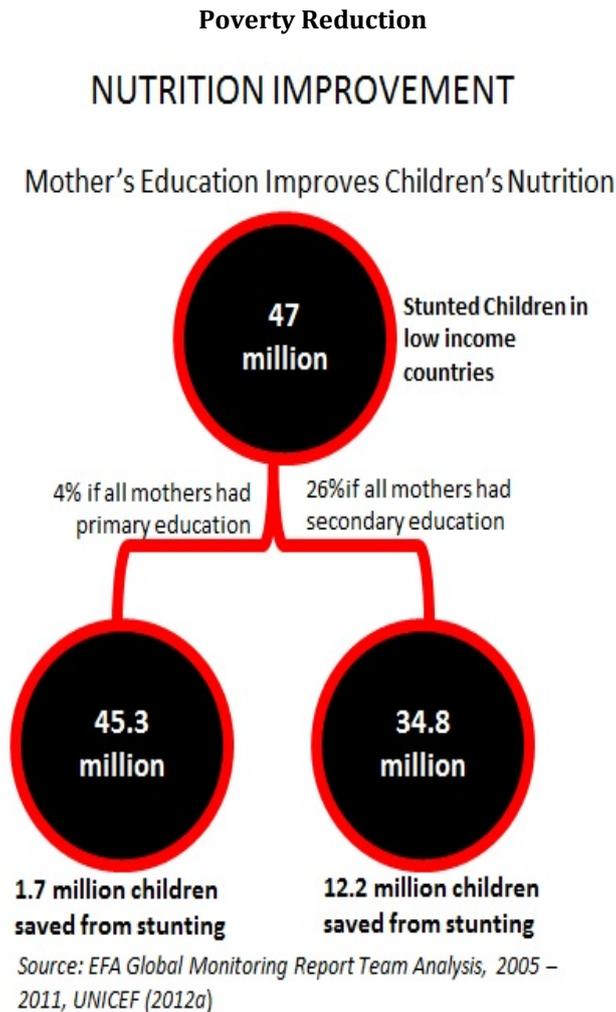
Thematic Analysis focuses on defining and addressing inquiries by the way they have been conceptualizing it.

A few different scholars have written about TA, defining it, and describing the way to do it. The purpose of thematic analysis is also to identify patterns of meaning across a dataset that provide an answer to the research question being addressed. Patterns are identified through a rigorous process of data coding, data familiarization, and theme development & revision.

Sustainability in Education

Education is considered as socially protecting program to uplift the personal life of many people. Some features are obtained from earlier literatures to corroborate this research.

All these were discussed in 'sustainable Education to develop Nations, World Economic Forum, 2015'. This research study is qualitative in nature with six variables are researched for this study.



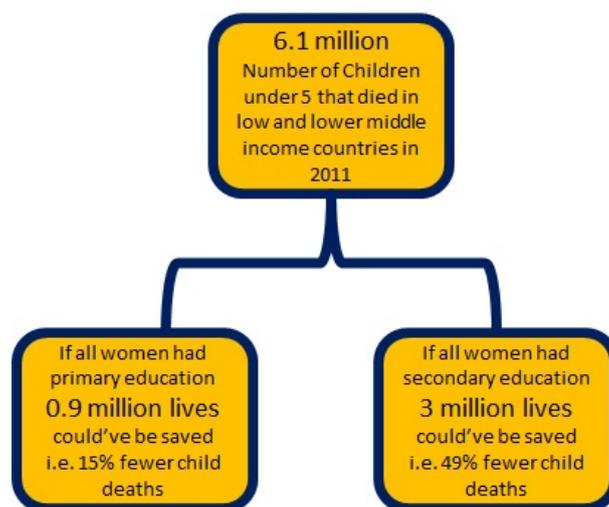
Education provides those who are employed to earn higher salaries, because of their higher qualification. The individuals with better qualification are paid more when compared to those with less educational qualifications, because of their enhanced productivity. On an average, in one year educational qualifications yields 10 % enhanced earnings than those without qualifications. In sub-Saharan Africa, returning to schools is highest, and so higher investment in education is needed in those areas. Truly, education helps working people, both men and women from being exploited by enhancing their chances to get secured working contracts. In El Salvador, about 5 % of the workers who has no even primary education gets employment contract, but on contrary 47 % workers who have secondary education gets employment with signed contracts.

Nutrition Improvement

In the last twenty years from 1990-92 to 2010-12, the percentage of people who suffered from hunger fell from 23 % to 15 % of the population. But still 25 % of children under the age of 5, are suffering from chronic malnutrition, and 33% of them dies due to malnutrition globally. Those children who survived are having poor brain development due to malnutrition, and their skills and ability to learn are also affected. But providing enough food alone is not enough. To provide education to those affected kids is most vital and essential. In low income nations, about 1.7 million children are suffering from severe stunting due to malnutrition. If the mothers had secondary education, they could eradicate malnutrition and could have saved 12.2 millions suffering from stunting. In South Asia, 22 million children would be stunted, if those mothers finished secondary school education. In high revenue nations, education helps to reduce obesity, a problem nowadays. It is the opposite of mal nutrition, and obesity has large number to its impact in many high income nations especially among kids. Proofs from Australia, Canada, Republic of Korea, and United Kingdom reveals that education lubricates to lower level of obesity. Better educated people, understand and accept advises on eating healthy and nutritional foods than preferring taste, and adopting weight control techniques.

HEALTH GAINS

A Higher Level of Education Reduces Preventable Child Deaths



Source: Gakidou (2013), Inter agency Group for Child Mortality Estimation (2012)

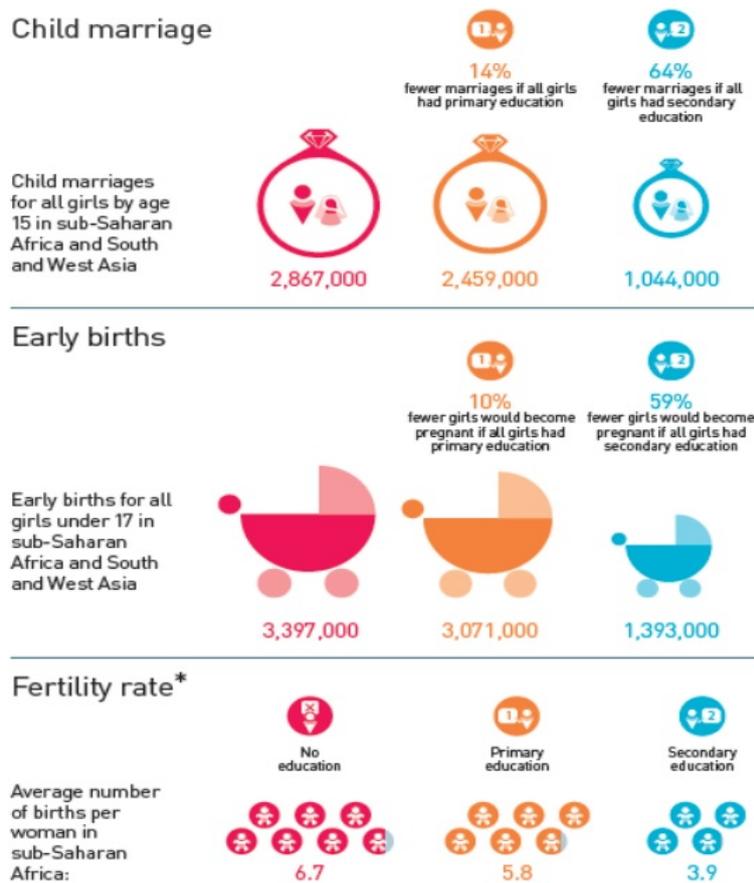
Health Gains

Policy makers focus on health, because often it is neglected and education is a health interference subject. People with education know about the facts about specific diseases. Hence they can adopt preventive measures on early signs of the diseases. They can seek the advice of health care services more effectively. Being affordable to spent more on health care issues, they are less prone to risk and stressful occasions and environments. They will adopt and apply good health related behaviors. Education strengthens and enhances confidence and belief in their ability to attain their goals. The educated people by their wide knowledge are likely to have healthy kids.

Gender Equality and Empowerment

Education will provide enough social transformation process and avoid any bias. Education will empower women to trounce any discrimination and inequity and they can manage any such situations. It not only provides enough strength to them but also to their wards and vigor to the society. Education contributes women to be highly informative and knowledgeable to meet any circumstances. Such empowerment gives women positive effects and enhances their confidence level. Women nowadays get equal remuneration for their work because of their qualifications. In Mexico 39 % of women with primary education gets employment while 49 % women with secondary education get employment. Education assists women to have a voice. In India women with secondary education have a better option and have a say in selecting their spouse, than women without no educational backgrounds. Women's education helps to prevent child marriage, a most happenings in rural India, a health hazard. Approximately 2.9 million female children are getting married around the age of 15 in sub-Saharan Africa and South and West Asia, and this figure is equivalent to 12 % of the population in their regions. If all the girls had secondary education in those regions, child marriage would have fallen to 64 % ie. from approximately 2.9 million to just around one million. Population growth to certain extent is controlled by educated women. Education provides women enough courage to decide when to have their first child. A survey says that 3.4 million women gave birth to a child before they attain the age of 17 in sub-Saharan Africa and South and West Asia, affecting 14 % of young women. If all those women had secondary education in those two regions, early births might have fallen from 3.4 million to 1.4 million say approximately 59 %. Education surely improves women's confidence and freedom. In Sierra Leone, after the civil war school opportunities expanded. This resulted in younger women's more education and their tolerances of domestic brutality were reduced from 36 % to 26 %. Education ultimately has an authority on size of the family. In Pakistan 30 % of women without any educational background have no say regarding the

number of their children. This percentage increases to 52 % women who had their primary education, and 63 % women with secondary education .



*Fertility rate is the average number of children that would be born to a woman over her lifetime.

Source: EFA Global Monitoring Report team calculations, based on Demographic and Health Survey data from 2005–2011. United Nations. 2011. World Population Prospects: The 2010 Revision. New York, United Nations, Department of Economic and Social Affairs, Population Division.

Economic Growth

For reducing poverty, economic growth is required though not sufficient. Education enhances productivity which lubricates economic growth. If the average educational qualifications of the nation's population are increased, it enhances the annual per capita GDP growth by half percent i.e. from 2% to 2.5%. This is somewhat equivalent to increase the income per capita by 26% over a period of 45 years, approximately the working lifespan period of an individual. These statistics are estimated taking into account of income level at the initial stage, public sector's share on economy, and the degree of trade openness. Variations in initial education stages could help to explain few differences in the accent and speed of economic growth among regions. During 1965, the average schooling level was 2.7% higher in East Asia and the Pacific than sub-Saharan Africa. In the next 45 year period, the average annual growth in per capita income was 3.4% in Pacific and East Asia. To contrast it was just only 0.8% in sub-Saharan Africa. The differences in early education stages might explain about half of the variations in growth rates. Variations in progresses of attaining educational qualifications, could also clarify few differences in the speed of economic growth between the regions. In developed countries, the number of schooling years for adults by an average increased from 3.6% in 1965 to 7.5% in 2005. In ten years it almost doubled. This is supposed to contribute two-thirds of the average growth rate annually, in GDP per capita of 2.8% between 2005 and 2010. It is not true that this pace is maintained in all nations in that region. In Guatemala, in 2005, the adults had 3.6 years of schooling by average. It just increased from 2.3 years of schooling from 1965, the second lowest rate in that region. If Guatemala had attained the regional average, it could have doubled its average growth per annum between 2005 and 2010, from 1.7% to 3.6% which is equal to an additional US \$ 500 per individual.

Peaceful and Inclusive Societies

Education's critical role is to support human rights and preserve the rule of law in the Universal Declaration of Human Rights. It clarifies that every individual and every part of society shall attempt to teach and educate to respect these freedom and rights. Excellent quality education facilitates people to judge the issues that concern them. It makes them to engage more actively and constructively in debates pertaining to local and national politics. In many regions of the world, unjust elections, corrupted officials, poor judicial structures jeopardize human rights and confidence of citizens' in government. When the people felt that they have no ways to raise their voice, this situation would bring conflict. But educations kindle their inner confidence, strengthen the participatory and decision making features, and represent to combat these issues. An analysis of survey of public opinions in 36 nations in Africa, Latin America, and Asia revealed that education lubricates higher voting rates. People with educational qualification wish to franchise their rights than the uneducated people. This is proved again where lower level of education prevails like El Salvador, Guatemala and Paraguay, rather than in nations with higher average educational levels like Chile or Argentina. To participate in making decisions is something different from just voting. In India, education had a positive impact in campaigning and electoral issue discussions, to attend rallies, to contact local and government officials in Rajasthan and MathyaPredesh states. In West Bengal state, the greater household educations, then the people are more likely to raise questions in the village forum which meets biannually. Education just does not modify the attitudes and thinking. In India about 4 % of the candidates stood for assembly elections were females. Their average voting was just about 5 % only. Reducing the sex literacy gap, increased the female candidates in elections by about 21 %, and they obtained votes around 17 %

Education helps to avoid conflict and tries to pacify its consequences. The lower level of education will not pave way to conflict. It is important to note this. If the secondary school enrolling ratio is about 10 percentage points greater than the average, the risk of war or conflicts is reduced by 25 %. The expected risk of conflicts is greater in nations where there are lower levels of education among males and large number of young peoples. In a nation where higher is the ratio of youth to adult people is at 38 %, just doubling the youth percentage with secondary school of education, from 30 % to 60 %, will reduce the risk of conflict by half.

Education facilitates to decrease corruption in politics. Education promotes the support for the checking of the institutions to find out and punish the misuse of office and reduces the corruption levels. For example in Brazil 53 % of the voters without any educational background agreed to support a competent politician, though corrupt, and only about 25 % of the respondents with educational qualifications agreed. It is true that better educated people will object to corruption and may complain to the concerned authorities since they are aware of how to make complaints and protect themselves in any situations. A survey in 31 countries for the World Justice Project during 2009-2011, revealed that people with secondary education in average of 16 % complained about deficiency in government services, while 33 % with higher educational qualifications did the same complaint. Education is necessary for justice system to perform. People with more educational qualifications will claim the rights and not withdraw away from the legal system. In Sierra Leone most people with little or no education cannot get the benefit of the judicial system, since it functions in English which they don't know. Translators are useful in certain cases but few people know only local languages which the interpreters are not aware of it. Persons who are accused with no or less educations can be easily identified and isolated. Educational systems are critical to train the judicial professionals. Even non formal courts like panchayat raj's, which are formed to help less educated community, for easy access could not be successful due to illiteracy. In Eritrea, village courts were formed to settle the cases amicably as the lowest order of judicial system. Elders were appointed as judges and they were illiterates and were lack of fundamental legal aspects. The net result was that many judgments were neither judiciary nor based on customary.

Data from Field Experiments

Greater size of empirical work in economics in the education is about assessing the policies, aiming to guess the impact of some involvement. One simple way of finding causality which is becoming popular and realistic in this area is experimenting based on RCT Randomized Control Trial methods. An example of such studies include reducing the size of the class, incentives made to teaching community, and the style of teaching as seen in the survey by Bouguen and Gurgand in 2012. The field experiments revealed data that includes fundamental test scores, outcome of the experiments and characteristics of students and school. The educational field experiments are very popular in economical developments as pioneered by Duflo, Glesnnerster, Kremer and others through JPAL; in US few leading latest examples includes work done by List and co-authors in Chicago and Fryer in Harward.

Education Policy and Future Research

This section recaps the review in two separate headings; the notable areas to develop suitable policies in education, and vital questions for researching economics in education in future. Research by various approaches to view education completely, is discussed as follows.

Amalgamation of Attainment, Skills, Inequality and Sorting

Previously we reviewed the proof on the human capital formation, education's demand, the proof on education supply, market configuration and rules. They all together find the equilibrium and the complete skill attainment distribution and earnings. Policy makers and researchers are concerned in various aspects of this entire output. Clearly the mean average levels of skills are vital, and also the different types of skills attained. Evaluating the sub group is also important. For example variations in educational achievement by race, by gender, and by socio-economic category. In total the policymakers takes care about variations internationally in cognitive ability and achievement, as they are the key issues of productivity and national income. All these measures are developing over time and similar set of variables may evolve such as gaps in black and white achievement, differences in importance of mathematical skills versus skills in languages, alterations in returning to schools, etc. All these have two faces' one is documentation of these quantities, and the other is to understand them. This research is not a summary of facts and figures on education as a whole and hence cannot discuss in detail. The OCED report contains full set of consistent figures on education. The scrutiny reviewed here is something to understand the truths on education and human capital, focusing typically on individual parts of the system. There are numerous approaches for completely analyzing the entire subject. At first, there are literatures finding the common equilibrium of markets about schools and housing. Initial papers integrated the researches and observations done by Epple and Romano and Nechyba in 2003. Recently Bayer et al in 2007, researched and found a set of observations and studies on the similar subject utilizing comprehensive micro data from California. They computed the huge demand for houses nearby schools, deduced the extent of competitiveness that schools faced, and considered the impact of feedback about performance of the schools. This was a great useful framework to think about demand for schools, in selecting from the system. Next approach is to understand the perspective of the individual student and to track the improvement from birth all through the stages of education and into the working environment. This is very helpful to try to understand the educational variations and inequalities that evolve. Fryer and Levitt in 2004,2006 and in 2013 explored the genesis of black and white test scores gap and released set of observations. Gregg and Goodman in 2010 similarly analyzed the socio economic achievement gap from birth of essential schooling. Finally cross country approach, a way to compare the summary of outputs of total nation's educational institutions and regulations altogether. This output clearly depends on the resources of finance of both the government and people. This also can be controlled. The clear example of this is the program of work evaluating the PISA, TIMMS, and other sets of data on cognitive talents across nations and across time. Major contribution to this was done by Woessmann in 2003 and Hanushek and Woessmann in 2011 and Hanushek, Link and Woessmann in 2013.

IMPLICATIONS

The Effects of Education on Growth

Educational investments are calculated by spending amounts in thousands of dollars or pounds per pupil in the affected areas. Different investments are distinguished by types, and interaction with nearness to the technological boundary. Because the proximity constant is at primary level, no control for its main effect is shown that would be absorbed by fixed effects. The coefficients of interest are shown below. We exhibit the effects of investments on education for various states that are situated at technological boundaries. The impacts for states away from the technological boundary can be found from the three coefficients in every column. The left hand column reveals the economic growth with the area where it occurred to show the effects of migration. The right hand column exhibit the growth of states based on people born and they were educated.

The results of these research type education advocates distinguishing various types of investments and various technological environments. The results reveal that the economies of nearer to the frontier states depends very much on technological innovation for their growth and development than the states far away from the frontier states. We have employed various specification checks such as dropping some of political control variables, dropping the control of federal type of spending, and dropping the socio economic features of state chairman's constituencies. We also tried various reasonable means to relate with growth rates. On the other hand, it is tried to relate the means to calculate proximity. Most of the

realistic ones are greatly related to the one that we use. Finally we tried not to use data on every group, but instead we use data on every fifth group to minimize the overlapping secondary experiences. This variation has no effect on these results.

Little thinking is necessary to interpret the scale of the results. There is an impact on growth of 0.04 %. These impacts are considerable when we remember that growth and development is not calculated by merely the incomes of direct beneficiaries of the investments made on education. Utilizing the population by data on ages, it is estimated that each segment in the age of 20 to 26 represents approximately 4 % of its population. Thus on a four year research, approximately 16 % in the age array, of its population are impacted. However over the time we research, less than half of each segment experiences four year or even less education in college experiences. Hence the enhancement of growth was solely due to the revenue earnings of the people, who experience the education. Their incomes will need to grow by 0.5 percentage point speeder for the time which we observed for the increased growth.

CONCLUSION AND PHILOSOPHY

This research suggests that monetary cost would be equally productively elsewhere. It's been found exogenous shocks for research-type education have certainly positive effects particularly only in states and fairly close to the technological frontier. This is due to research-type investment shocks induce the beneficiaries of such education to migrate to close-to-the frontier states from far-from-the-frontier states. We show that innovation is a very plausible channel for externalities from research and four-year college type education. Exogenous investments in both types of education increase patenting of inventions. At the beginning of this paper, we set out our agenda to estimate effects of education on economic development. We wanted to measure actual investments in education, not education attainment, which is an endogenous choice variable. It's been examined the effects of different types of education. Finally, we wanted to embed our estimation in a coherent model of the relationship between education and growth, a model that we thought might apply particularly well to highly industrialized countries.

It's true that Education should accelerate progress growth and achievement of all each of proposed sustainable development goals for 2015 and beyond multiplicity of approaches. Not only that education a fundamental human right but, as this paper describes, it is vital for development. It strengthens people's voices in community, national and international affairs. It opens new work opportunities & sources of social mobility. In precise, effects of education are vital across many development sectors. Education deserves as prominent item in post- 2015 development framework. The political & financial commitments on education by nations and contributors need to be highly secured and renewed. There is an insisting need for closer collaboration across all sectors to show these interactions to take the root.

REFERENCES

- [1] Boyce, M.E. (2003). Organizational learning is essential to achieving and sustaining change in higher education. *Innovative Higher Education*, 28(2), 119-136.
- [2] Chalmers, D. (2007). A Review of Australian and International Quality Systems and Indicators of Learning and Teaching. *Australia: Carrick Institute for Learning and Teaching in Higher Education*.
- [3] Compiled from the book of Professor Dr. Yunus "Creating a world without poverty—Social Business and the future of capitalism and Building Social Business" retrieved from http://en.wikipedia.org/wiki/Social_business, on 16th July 2013
- [4] David, H.H. (2004). Cross Nation Comparison, Capital Affiliation. *Journal of Finance, American Finance Association*, 59(4), 1805-1844.
- [5] Field, S., Kuczera, M., & Pont, B. (2007). No More Failures: Ten Steps to Equity in Education. *Paris: OECD Publishing*.
- [6] Giovanni, A. (1985). Dynamics of Global Crisis Chase-Dunn, 1989.
- [7] Gompers, P., Kovner, A., Lerner, J., & Scharfstein, D. (2008). Venture capital investment cycles: The impact of public markets. *Journal of Financial Economics*, 87(1), 1-23.
- [8] <http://bdnews24.com/economy/2016/10/03/bangladesh-s-extreme-poverty-rate-drops-to-2.9-percent-says-world-bank>
- [9] http://en.wikipedia.org/wiki/List_of_countries_by_foreign-exchange_reserves
- [10] <http://www.focuseconomics.com/countries/malaysia>
- [11] <http://www.forbes.com/sites/drewhendricks/2013/11/29/>
- [12] <http://www.worldbank.org/en/news/press-release/2016/10/03/bangladesh-can-overcome-extreme-poverty-through-moreinclusive-growth>.

- [13] Igor, A., (1965). *World Economy*, 201-207.
- [14] Kick and Davis. (2001). An Empirical Test of Theories of World Divisions. *Pearson press*, (3), 499-513
- [15] Latifee, E.H. (2013). Social business: A new window of poverty alleviation. *The Financial Express*.
- [16] Latifee, E.H. (2014). Tourism economics, pollution & social business. *The Financial Express*.
- [17] Limkokwing, (2008). *The Star – Limkokwing speaks at World Bank Conference*.
- [18] Lloyd, P., Jan, D.L., Matthew, M., & John, G. Measuring Economic Globalization: Exploring methods to map the changing structure of world trade. *Multi-relational International Trade Networks*, 1965-2000.
- [19] Misha, F., & Sulaiman, M., (2016). Bangladesh Priorities: Poverty, Sulaiman and Misha.
- [20] *Copenhagen Consensus Center*.
- [21] National Economic Report 2013-2014, Bank Negara Malaysia, "Focus Economics Consensus Forecast", S&P Inc.
- [22] OECD. (2012), Better Skills, Better Jobs, Better Lives: A Strategic Approach to Skills Policies. OECD Publishing. Available from: <http://www.dx.doi.org/10.1787/9789264177338-en>.
- [23] Press release – UN General Assembly's Open Working Group proposes sustainable development goals"
- [24] Silver, H. (1999), Managing to innovate in higher education. *British Journal of Educational Studies*, 47(2), 145-156.
- [25] Smith and White, "Globalization and upcoming ASEAN countries" (1991)
- [26] Sustainabledevelopment.un.org. 19 July 2014. Retrieved 2016-10-18.
- [27] Valliappan, R. Developing Qualitative Academics in Higher Education by Augmenting the Perspectives of Institutions. *Students and Lecturers, Australia and New Zealand Journal of Social Business, Environment and Sustainability*, 2016.
- [28] Wallerstein, *World-Systems Analysis: An Introduction*, 1974.
- [29] Yunus, M. (2009). Creating a World without Poverty: Social Business and the Future of Capitalism. *Public Affairs*.
- [30] Yunus, M. (2011). Building Social Business: The New Kind of Capitalism that Serves Humanity's Most Pressing Need.