



## HIGHER EDUCATION: NEW CHALLENGES AND EMERGING ROLES FOR HUMAN AND SOCIAL DEVELOPMENT

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### **Introduction**

Education builds character, contribute to efficient human development, improvement of human capital needs higher investments on social sector, which lead to higher growth of a Nation.

Our Puranas and Ithihasas have laid great stress on education and health and have shown characters that contributed to the growth of the Nation. Lord Rama is a great example for reputed character and immense health, which made Him contribute a great deal for the rule of Rama Rajya - a perfect democracy linked to efficient development of the State. Even today His rule and His State Ayodhya is a model being pursued through with the help of modern science and technology. Education has a positive role in human development.

Mahatma Gandhiji very clearly and correctly wrote that education is the strong base for building a strong India. He emphasized "basic education" to all so that people can live a happy life living only in villages, avoiding migration to cities. Moreover, he advised government to educate women who are the main pillars of society. Swami Vivekananda wanted strong man (woman also included) with strong mind and strong health, so that India could become a strong and wealthy Nation in the entire world. He, in particular, wanted to promote women's education so that the entire Nation. In a sense he advocated universalization of education and health in India so that strong Nation can be built with the efficient human resources. The core components of human development are: education and health.

Education provides a variety of benefits to students, including enhanced, social skills, greater awareness of human achievement, and an appreciation for cultural diversity. But education is increasingly viewed as an economic investment. Education provides a student with skills that are valued by employers and increases lifetime earnings capacity. In this chapter the all statistical evidence on the effect of educational attainment on earnings is examined to determine the economic rate of return realized when an individual invests in a college education. Particular emphasis is placed on the value an individual receives from completing a bachelor's degree.

In calculating the return on a college education this chapter considers as benefits only the Incremental earnings realized by individual who earns the college degree. Spillover the return to education presented in this chapter is referred to as the "private return to education" benefits that accrue to other parties are potentially significant but they are not considered until the next chapter of the report. Following the conventional language used by economists, when all benefits are considered, including spillovers received by other individuals, the calculated returns referred to as "social return to education".

To determine the economic value of a college education, benefits must be weighed against the full costs of obtaining that education. These costs include the tuition payments made by the college attendee, the opportunity costs associated with earnings foregone while in college and in the case of a public university the appropriation of state and local governments. The return on investment calculated using full costs is a more useful guide for public policy than one calculated using only the costs incurred by the student. College may represent a good personal investment for an individual if that education is highly subsidized by the government. But college is shown to represent a wise use of society's resources when the value of the enhanced skills the individual receives as measured by increased earnings capacity, exceeds the full resource costs of providing that education.

Higher education in India is gradually entering into crisis situation, facing many problems and inadequacies. Though its spread is quite rapid, its steep decline in quality is equally rapid, what with scarcity of financial resources, proper infrastructure, adequate qualified staff etc. through government is advised to allot nearly one percent of G.D.P for higher education, government has settled at 0.8% in 2005-06, which may further decline for want of sufficient resources. Whereas foreign countries are enhancing their allocation on higher education, research and development, India has not taken a leaf out of their experience.

The enrolment of persons in higher education is only 10% of population; whereas it is higher at 20-25% in developed countries. Hence both in enrolment and promoting efficiency and quality, India is at a low level. Even China, Malaysia, Philippines are in a better position compared to India, not to speak of Western Developed countries.

Entire education system in our country is in a mismatch. While around forty percent of population is virtually illiterate, the top-level limited education centers of education are beyond the reach of common men. Most of our high level education centers and universities are ill equipped and inefficient. Hence the products of those institutions are not sufficiently capable for technical employment.



India's elite scientific and educational institutions maintain quite high standard. In some universities the quality of education is very high and at par with the rest of the world. Since salary of professionals in India is very low in comparison to the industrial world professional services in India enjoy a very favorable international competitiveness. Right now this is utilized mainly in information technology, biotechnology, health care, banking, finance and in few other services. But there is a great deal of scope to expand it in almost all other services where we have already attained a fair degree of professional expertise. India can also be a center of research and development due to high quality educational base in many fields of science and technology.

One of the major lacunas of India's development strategy is that while it thrives on highly skilled services, it had all throughout neglected mass education and health services. India's elite educational institutions stand like isolated ivory towers amidst encircling poverty, illiteracy and backwardness. Rural India is completely neglected in health, education, nutrition and other elements of human capital. The number of universities and colleges are also very small. For one billion plus population 400 odd universities and odd colleges are too few. According to the latest count, only 8% of youth manage to get admitted in colleges and universities. Most children drop out of school for a variety of reasons ranging from poverty to parents unwillingness to get their children educated due to socio-cultural inhibitions. Girls are particularly deprived of education. But even if the parents are willing to educate their children, the shortage of school and colleges hinders education. According to the, Indian Planning Commission half the villages do not have a primary school.

- In India the average workers, especially in the Informal sector, whether in agriculture, manufacturing, or in Services, is poorly educated. They also suffer from poor health. Their average labour productivity is therefore low, and in spite of low wage, the real cost of labour is quite high.

In India however, a small proportion of manpower is highly educated. The technically qualified manpower has now become the engine of growth in India not only in services but also in manufacturing sectors. Services now have fastest GDP growth. Within services sector, services utilizing professionally qualified manpower, such as finance, banking, software, media, entertainment etc. are recording fastest growth, ranging between 20% to even 50% growth per annum. In these sectors there is as yet no sign of diminishing returns. Manufacturing growth on an average has been lower than services. Again within manufacturing sector, large-scale industries using more technical labours are having faster growth than small and medium industries employing more unskilled labours. Agriculture using least skilled workers is having the slowest growth among all sectors.

### **The Relationship between Earnings and Educational Attainment**

The economic value of educational attainment is apparent from cross-tabulations of national data on individual earnings and educational attainment.

- Is the question of access to higher education still the principal problem? What general implications, within and outside of higher education, result in certain careers being mainly chosen by one or the other gender?
- What role can/must higher education or its institutions play to lead the transformation towards a more egalitarian, inclusive and equal society with respect to gender?
- Once the problem of access is faced, what is the following step that higher education could take in order to build a more egalitarian, inclusive and equal society with respect to gender issues?

Artistic disciplines and practices, as well as knowledge and experimentation areas, which draw on or inspire creativity deliberately, tend to have little influence, on the debates about the improvement or the future of higher education. In view of the new and complex challenges which higher education institutions (HEIs) are facing, however, spaces for reflection, creation and action through the arts can be especially fruitful, provocative and innovative.

### **Higher Education for Intercultural Dialogue and Multiculturalism**

The dynamics caused by migration, transnationalism and the process of globalization all contribute to the coexistence between different societies and cultures being probably the major challenge faced by humanity in the XXI century. The construction of a plural society, where different cultural conceptions and world visions have to fit, is indispensable in a globalized World. The processes and mechanisms to understand, dialogue and live are the basis to create a multicultural society.

- How can higher education contribute to these processes?
- In what way is higher education prepared - or can prepare itself - to train its graduates, so that they are capable to act within multicultural social and work contexts, which cease to be exceptional and become normal?
- What do HEIs need to undertake to adapt themselves to the new multicultural reality?
- How can migrations affect HEIs?
- How can HEIs be active agents to preserve and foster cultural diversity?



### **Higher Education for Sustainable Development**

The UN considers the period 2005-2014 as the Decade of Education for Sustainable Development. Since the 1993 Kyoto Declaration on Sustainable Development of the International Association of Universities (IAU) identifying the central role of higher education for transition towards a sustainable human development, the international debate has been intensified. However, the concepts and national educational programmes about how to incorporate sustainability in higher education focus on different issues.

In this sense, the transition towards sustainability can be seen as a transforming process of social learning, in which the role of academia is not one of integration of sustainable development, but is one of innovation and systematic change in our institutions, allowing increased social learning. This evidence of the fact that the real challenge is not only about including sustainability into the internal activities of HEIs It is even more necessary to integrate them into the steps society is taking towards sustainable development, even transforming them into one of its main motors.

Thus, the need for Education for Sustainable Development is a major challenge today for HEIs. It implies deep changes, so as to overcome the disciplinary division or to allow transformative learning to take place. Dealing with complexity, structural changes, teaching organization and pedagogy and the role of research, are the main themes for the implementation of sustainable development in HEIs.

This thematic line emphasizes some of the following questions:

- How should educational reforms be, to accompany this process?
- How to define and reorient the competences for global sustainable change?
- How can the university articulate global networks with local actors?

### **Higher Education and Citizenship, Participation and Democracy**

Participatory processes have been identified as one of the most powerful engines to provoke real transformations in contemporary society and in HEIs. They help these institutions and those with whom they engage, face the growing demands and challenges of an increasingly globalize world.

In the context of globalization and great media simplifications, an active and responsible citizenship is particularly required. It should be aware of the ethical implications and the vast consequences of its professional activity, as well as aware and committed to the values and fundamentals of respect, tolerance and democracy. Thus, in many places of the world, HEIs have played and can play a very important role as beacons of freethinking and democracy. Maybe another world is possible, in which individuals are valued as productive and trained citizens and as potential agents for good change.

These three factors (citizenship. participation and democracy) draw vectors of change in society and in HEIs. In this thematic line we look for Contributions, which examine any of these factors. The contribution may focus on processes and experiences taking place inside HEIs, or relate to relationships between HEIs and/or towards society, or a combination of these. Some key questions could be:

- What roles have HEIs to play in order to specify and put into values?
- How can HEIs move towards participatory approaches in education, research, planning and decision-making processes from a bottom-up perspective?
- In the context of globalization, is it necessary that higher education plays a major role with respect to citizenship?
- How can processes be implemented successfully so that they respond to poverty and social injustice?

### **Higher Education's Role**

Higher education has historically included economic development as part of its core mission. The college and universities serving the region have allocated fiscal, physical, and human resources and created entrepreneurship systems within the institutions to advance economic development. Senior administrators provide strong, visible leadership designed to

- create a quality workforce by growing, training, and attracting the finest talent
- support current business and industry
- improve learning and touching from pre-school through graduate school
- take strong and visible roles in regional initiatives
- disseminate research and promote technology transfer
- enhance the technology infrastructure
- promote livable communities
- employ a diverse workforce



### **A Quality Workforce: Growing, Training and Attracting the Finest**

Higher education will be a dominant, if not decisive, factor in preparing workers with the robust skills needed to adapt to changing job requirements. The transition from manufacturing to the Technology-based new economy dramatically raised the skill level needed to get a job. Higher education prepares a quality workforce by offering instructional programs, matching instruction to the needs of business and industry and helping individuals learn throughout their lives.

### **Support to Cure Business and Industry**

Current business an industry receives support through the customized service offered by higher education. As technology and the economic climate change higher education can be a valuable resource to businesses in these ways:

- identifying employee skills gaps and providing customized training
- conducting organizational assessments and providing management development
- providing technical assistance, industrial liaison programs, and support centers
- assisting in the identification of new market for products
- offering specialized help for small-to-medium sized businesses for planning, resource acquisition and marketing, e.g. entrepreneurship training and assistance
- providing customized research and data
- procuring grants which support current business and industry
- providing conference and meeting facilities Examples of Alliance member support for current business and industry include:
- Members of the Alliance provide customized training and services to businesses.

### **Strong and Visible Roles in Regional Initiatives**

Efforts to enhance economic growth are shifting from tax-based incentives to attract businesses to strategies that develop industry clusters designed to increase regional competitiveness and wealth. The success of the industry clusters depends on the region's science and technology capacity, ability to develop global markets; availability of lifelong learning and training for employers and employees; and collaborative relationships among research, capital, business, and public policy Higher education, with its networks and linkages throughout the region and state, is uniquely positioned to convene the necessary representatives from the diverse government, business, education, social, and civic groups and to serve as the third-party, neutral catalyst to create the collaborations needed to develop industry clusters.

### **Enhance the Technology Infrastructure**

Higher education can be a technology driver and instrumental in raising the economic development of the region by doing the following:

- designing cutting-edge technologies, which result in new products, businesses, and jobs
- supplying advanced technology for use by the region
- providing technology instruction to create a skilled workforce
- addressing the digital divide for targeted areas and populations
- creating e-learning and innovative delivery to expand access to education

### **Livable Communities**

Livable communities are viewed as great places to live and work. Higher education institutions provide instruction and training, but they also provide arts, entertainment, sports and recreation programs that attract and retain a quality workforce. Professional-quality events are available to the public free or at reasonable costs.

### **Higher Education as Employer**

The role of higher education as a major employer of a diverse pool of workers cannot be ignored. As a basic, revenue-generating industry, higher education directly and through related multipliers, impacts the economy of the region.

### **Executive Summary: The Value of Higher Education**

Higher education provides considerable value to individuals, the economies where educated individuals work and live and society in general.

#### **Private Returns**

- Individual earnings are strongly related to educational attainment. People who have more than those with only a high school diploma; and those with a graduate education earn more than those with only an undergraduate education.



Average annual earnings of individuals with a bachelor's degree are more than 75 percent higher than the earnings of high school graduates. These additional earnings sum to over \$1 completed high school earn more than those who have not; people with a bachelor's degree earn associated with having a bachelor's degree versus a high school diploma has risen from 38 percent in the 1980-84 period to 94 percent in 2000-03.

- The benefits to an individual from a university education vary with the quality of the institution attended. Those who graduate from an elite university earn substantially more than those who graduate from a lower-quality institution.
- To properly assess the economic value of a college education, the benefits realized in terms of higher future earnings must be discounted to adjust for the time value of money. The discounted earnings must then be weighed against the full costs of acquiring a college education including not only the tuition paid by the student, but the earnings foregone while the student is in college and the appropriations of state and local governments. When these calculations are made, the benefits of a college education are seen to be more, than three times as large as the costs.
- If the value of a college education is expressed on the same basis as the return on a financial investment, the net return is on the order of 12 percent per year, over and above inflation. This compares favorably with annual returns on stocks that historically have averaged 7 percent.
- Despite the very high return on investment for the time and money spent on attaining a college degree, only one-quarter of the U.S. adult population has at least a bachelor's degree.
- The academic ability of the individual-which is shaped throughout his/her life by a variety of family and environmental factors-and the values and goals of the individual-which are strongly influenced, by the education of his/her parents-are important determinants of educational attainment.

### **Societal Benefit**

Social benefits of a workforce with greater educational attainment and skills can be traced to the enhanced worker productivity associated with greater educational attainment. These productivity gains translate into higher output and incomes for the economy,

### **Overview**

Higher education provides considerable value to individuals, to the economies where educated individuals live and work and society in general. Economies that have experienced substantial investment in either private or public institutions of higher learning have realized considerable growth and prosperity. Higher education influences economic well-being in three ways. First, the direct expenditures by the institutions, their employees and their students impact the local economy. This spending multiplies through the local economy until the monies are used to purchase goods and services from outside the local area. Such economic impacts have been estimated at many institutions of higher education.

### **Conclusion**

A primary conclusion of this report is that college education yields high rewards that accrue to individuals and to the communities where they ultimately find employment. Policies that eliminate barriers (informational, ability, or financial) and result in tangible increases in the number of degree holders are interventions that should be pursued. Considerable effort has already been undertaken to alleviate financial barriers and these efforts have brought results.

Effective policies aimed at increasing both enrollment and degree completion rates simultaneously could be equally rewarding. The barriers pose significant challenges and debate over the efficacy and cost of alternative policy options will occur, but in the end the potential rewards are very high. Empirical estimates capturing the magnitude of these rewards are detailed in this report - including significant monetary returns as well as a long list of nonmonetary returns that continue to yield benefits over generations.

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