

The Role of Education in South Asian Economic Development and New Challenges

南アジアの経済発展における教育の役割と新たな課題

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〈Abstract〉

This paper investigates the role of education in South Asian economic development and new challenges. Education is one of the fundamental factors to achieve sustainable economic development in any countries. Education raises people's awareness, productivity and creativity, entrepreneurship, and technical skills to improve their economic development. This paper also argues education can play an important role and be instrumental in improving the well-being and dignity of South Asian people and new challenges. No country can achieve economic development without investment in education. Education can play an important role in improving the human resource development for country's economic development. South Asia has more than 40 percent of the world's poor and will contribute nearly 40 percent of economic growth in the working-age population over the next few decades if they improve its human capital through education. Through the general and technical education, it is possible to enhance the economic growth, employment, health and nutrition, the environment and the political freedom of the society. Education is the vital factor for achieving individual and national development goals. When considering the effects of education on economic productivity, a wide number of studies conclude that investments in education yield returns that are typically well above the opportunity cost of capital. Findings of this paper reveal that there has been dramatic change in South Asian economies through general and technical education.

〈Keywords〉

Education, Economic Development, South Asia, NGOs

1. Historical Background of South Asian Education

‘The history of educational system in the Indian sub-continent is very old. More than 3,500 years ago, the Brahmin (priests in the Hindu religion) society introduced an education system which was religious based.’⁽¹⁾

In 629-645 A.D., during the time of spreading of Buddhism, another kind of education was introduced. There were no religious barriers in this system and as a result more people had access to education. From the dimly perceived dawn of history, ‘education in South Asia has been a concern of religious functionaries. Religion did not produce educational impulses. South Asia was the

birthplace of or providing ground of three great world religions: Hinduism, Buddhism, and Islam. Each gave rise to mighty educational efforts of a distinctive type.’⁽²⁾ According to the report of the English missionary William Adams, in the period of 1835-1838, in the Indian sub-continent of present day (South Asian countries), each village had at least one primary school which was built during the Islamic period. These schools were situated comparatively close to mosque and temples. The report also mentioned that there was an educational atmosphere at home. Because children were widely educated at home, school enrollment was very low.

In 1882, the Indian Education Commission recommended that the district and municipal boards should take the responsibility for primary school education. Meanwhile, the indigenous schools were slowly dying out for want of official support. Many of them were incorporated into the new educational system and converted into primary schools, while many others closed down. As a result, by the beginning of the twentieth century the indigenous schools almost ceased to exist. Indigenous schools were disappearing day by day, and because of that, the new educational system could not meet the communities' traditional education demand. There was also an earlier movement for the modernization of education in 1858, but the movement failed to achieve its goal because of economic constraints. In 1930 a system of formal schooling was introduced by an act for children. The government only paid the teacher's salary, and rest of the responsibilities for the schools belonged to the people of the community. Community responsibilities included donating land, constructing the school buildings and taking care of the schools through school management committee.

The British ruled the Indian sub-continent (present South Asian countries) for 190 years (1757-1947). During that colonial period, the British rulers, were not interested in the improvement and expansion of the indigenous system of education for the local people, either in the physical facilities for education in this territory, but the British rulers gradually supplanted the pre-colonial indigenous system of education and imposed a new language and curricula. The new English high schools and colleges were degree granting institutions which gave students accesses to power in the colonial political and economic system. It created a class of people who were obedient and cooperative under the British rule.

'The period between the two World Wars saw a considerable expansion of the education system although the growth seemed to be offset more and more by the increase in population and was hardly accompanied by any improvement in the quality of education.'⁽³⁾ The system remained unchanged for some time even the cessation of foreign colonial rule and creation of nation's state in South Asian region. In the 1950s, South Asian countries recognized the value of education on economic

development. 'In 1970s United Nations (UN) resolved that to provide increasing opportunities to all people for a better life, it is essential to expand and improve facilities for education.'⁽⁴⁾ In 2010, 188 million children were enrolled in primary education in South Asia, up from 155 million in 1999, nearly half are girls (EFA: 2012). However, due to poverty many still lack access to education. To achieve the region's economic development it needs to provide a substantial governments funding for the education of the poor, at least primary and secondary levels of schooling.

2. Introduction

In this study, author's intention is to focus on the role of education in economic development which are organized by both government and Non-Governmental Organizations (NGOs) in the fields of formal, non-formal and vocational education, as they relate to national and individual economic development in South Asian countries. In the South Asian context, in the past, illiteracy, lack of education and human resource development hampered all of its economic development programs. Most of the beneficiaries of national programs were not able to actively participate in overall economic activities owing to their lack of education and skills, and to lack of awareness by the people. The family planning problem which has failed, in reaching the target because of the difficulty in motivating the illiterate clients. Some other issues also affected such as poverty reduction, health and nutrition, gender, and the environment. The South Asian countries, very often encounter natural disaster such as especially floods, river erosion, cyclones and recent days earthquake as well. They are a common occurrence and a major factor which explains economic and development plans are not reached. Another important factor is that half of the region's female population have not participated in economic activities due to lack of their institutional education. A wide number of studies conclude that investment in education yield returns that are typically well above the opportunity cost capital to improve human resources in national economic growth.

'When the Scandinavian countries began to legislate universal and compulsory elementary education in the beginning of the nineteenth century, this great reform movement was spurred by the argument that education was

a prerequisite for improving agriculture, promoting industrialization, and for a general speed-up of what we now call development.⁷⁽⁵⁾ Elementary education has an important and direct role on national development and as well as on productivity. In the early 1990's Japan reached the target of 100 percent literacy, and between 1945-65 Japan's net national production increased three times. 'High literacy rates and excellent education standards are also major reasons for Japan's success in meeting the challenge of a technologically more advanced west in the nineteenth century and for its subsequent achievement of a position of economic leadership. Nothing, in fact, is more basic to Japan's success than is its educational system.'⁶⁽⁶⁾ According to Psacharoulos, investment in elementary education return is 35 percent, secondary education is 10 percent, and college education is only 11 percent.

According to the 1970 population census of South Korea, the average number of children the average numbers of children been to junior high school women graduates was 2.15 percent, but in the case of illiterate women's was it was 5.11 percent. In Thailand, the birth rate of elementary graduate mothers was almost 50 percent lower than that of illiterate mothers. All of these countries have achieved their tremendous economic development through investment in education. Education has helped to sustain the egalitarian policy of the country. With economic development, everyone has economic prosperity and the income distribution curve has shifted to a significant change. Historical evidence from old industrialized, newly industrializing countries, and today's BRICs (Brazil, Russia, India, China and South Africa) clearly supports the argument that education is a necessary condition and also an instrumental for developing the economy of a nation. Japan, South Korea, and newly industrialized countries, such as Singapore, Hong Kong, Taiwan, and Malaysia would be the good models for South Asian countries. These countries first achieved their universalization of elementary education and then entered into the field of industrialization and service industry.

Since 1990s, 'the Jomtien conference marked a significant shift in the world's collective approach to education. The emergence of an international consensus that education is the single most vital element in combating poverty, empowering women, promoting

human rights and democracy, protecting the environment and controlling population growth.'⁷⁽⁷⁾ The importance of education is increasingly realized by the South Asian countries. Every nation allocated a good proportion of their national budget in education, and overt commitment to the theory and practice that education can make a direct contribution to their economic growth and national development.

3. The Importance of Education in Economic Development

'Education in every sense is one of the fundamental factors of development. No country can achieve sustainable economic development without substantial investment in human capital. Education enriches people's understanding of themselves and world. It improves the quality of their lives and leads to broad social benefits to individuals and society. Education raises people's productivity and creativity and promotes entrepreneurship and technological advances.'⁸⁽⁸⁾ Economic development is the development of economic wealth of countries, regions or communities for the well-being of their inhabitants. From a policy perspective, economic development can be defined as efforts that seek to improve the economic well-being and quality of life for a community by creating and/or retaining jobs and supporting or growing incomes and the tax base (Salmon Valley). The region is geographically knit together and is homogenous in terms of sociocultural, political, historical, economic, and educational factors. The people of this area are heirs to a heritage of common culture and civilization steeped in history. At the beginning of the twenty-first century, however, it was one of the most backward regions of the world, both educationally and economically (UNDP: 2001).

'The literature on the "Asian Miracle" which proliferated in the early 1990s offered a range of explanation for the remarkable growth record of Asian "high performers". Almost all the contributions agreed on the importance of education.'⁹⁽⁹⁾ Last two decades, it was argued in among the South Asian countries that for an economic dynamic development in national and individual level, the growth and betterment of system of education is indispensable. Since the early 21th century, the South Asian countries have achieved a dynamic change in their economic development and become an emerging economic

region. Most of the South Asian countries committed themselves to the “World Declaration on Education for All” at the World Conference on Education for All (WCEFA) held at Jomtien, Thailand in 1990.

The South Asia is one of the poorest regions in the world. In fact, the South Asian governments have some limitations in continuing ‘education for all’ in the whole region or individual country, such as, manpower, financial constraints to improve facilities and teacher training. To set up a new school building or a new educational program does not make any sense if there is no sustainability or that program does not have an operational process for the targeted people. Despite the governments’ limitations over the last three decades, many NGOs in South Asian countries had played a vital role in education, for instance in non-formal, vocational and adult education. NGOs in this region consider education as the basic factor in achieving their social development goals. Besides the NGOs, the World Bank invested US\$ 2,470 million (from 2003 to 2007,) in education in South Asia. The investments produced strong results with noticeable improvements in the education of poor people (World Bank: 2008).

The governments and NGOs integrated educational approach and played an important role to overcome this problem. This approach identified an interaction which includes the formal (government), non-formal and adult education as shown in figure 1. In this type of educational approach, “Freire’s literacy theory and practice aim at

making it possible for the oppressed illiterates to become aware that they can change their own situation. The main task of adult education is to bring about a process of critical reflection that leads to action and change. Education is seen as an element in the necessary process of human liberation”⁽¹⁰⁾ The NGOs’ collaboration with government to improve the region’s education at grassroots level has evolved. Today South Asia has become the second fastest job creator in the world, after East Asia. These countries improve their human capital through investing more resources in formal education, non-formal education, vocational education, and Information and Communication Technology (ICT) education as well. South Asian countries have been emphasizing on ICT and innovation technology need for continuous learning over the work-life. How educational and training systems respond to challenges will have far reaching implications for economic growth and competitiveness of the region, and for income, employment and job creation. The educational stock of the workforce in South Asia is still low compared to the other part of the world, in particular East Asia. There is both ‘quantity’ and a ‘quality’ challenge at all levels of education.

3.1 SAARC’s Initiative to Increased Access to Education in the Region

At the Seventh Summit Meeting of the South Asian Association of Regional Cooperation (SAARC) countries in Dhaka, Bangladesh, in 1993, the heads of state of the seven members nations issued the Dhaka Declaration,

Figure 1 Government-NGOs Collaboration in Educational Development in South Asia

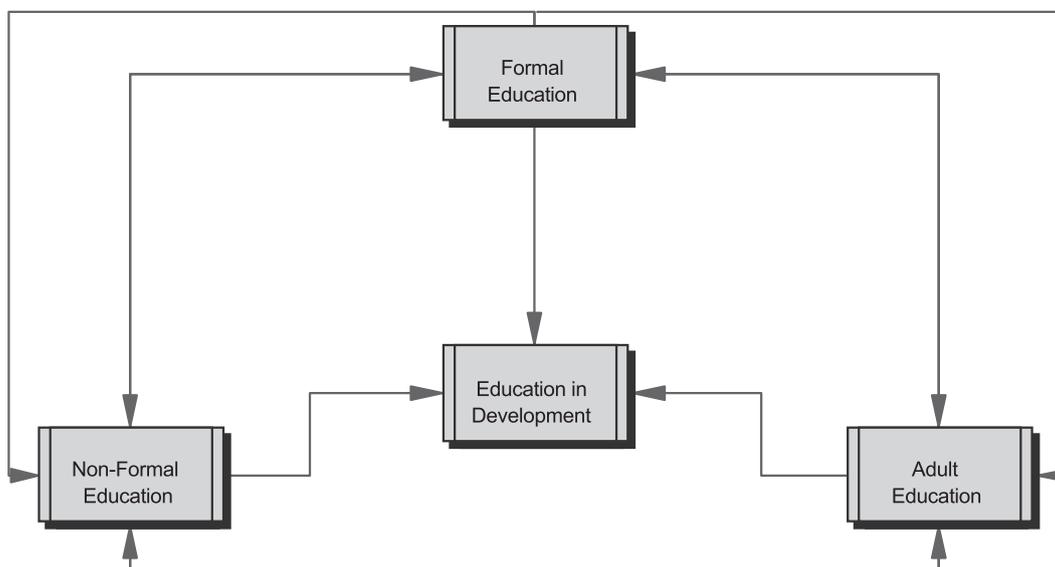
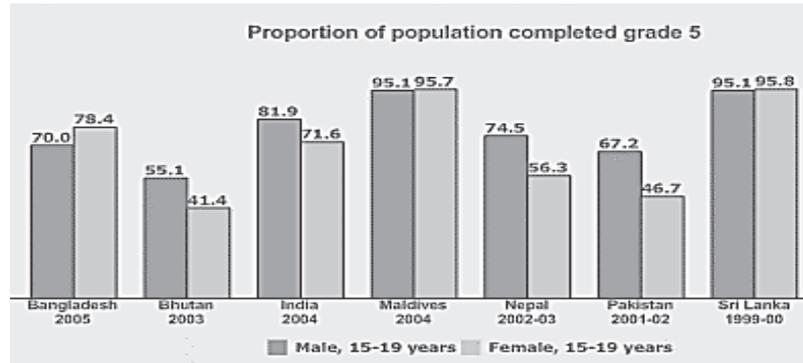


Figure 2 In Bangladesh, Sri Lanka and the Maldives gender parity also achieved at the secondary level

Source: World Bank, (data) 'Brief on Education in South Asia, (<http://web.worldbank.org>)

which welcomed the report of the Independent South Asian Commission on Poverty Alleviation (ISACPA) and reiterated members' commitment to "empowering the poor for enhance growth, consistent with human development and equity." Member governments adopted the goal of alleviating poverty by the year of 2002 through emphasizing education.

3.2 Progress towards Achieving Gender Parity

To attain the goal of universalization of primary education in the South Asian countries for school age children by the year 2000, governments introduced a proper management to increase enrollment and decrease high numbers of drop-outs. They gave priority to the equitable access of education to all, especially to girls, and to narrowing the gap in education between rural and urban areas.

As shown in figure 2, at the primary school level, gender parity has been achieved in the in the Maldives, Sri Lanka, Bhutan, Bangladesh, and India. Progress is being made in Nepal and Pakistan. 'Available data indicate that in this period, the number of out-of-school children of primary school age decreased by about 11.5 million in India, 3 million in Afghanistan, 2 million in Pakistan, and 1 million in Bangladesh (WB: 2015). In countries where gender parity has been achieved at the primary level, the challenge is now to repeat this achievement at higher levels of education. It is ironic in the South Asian countries that many of their graduates are looking for jobs, while in the emerging garment, service, and IT industries are struggling to find enough appropriate job seekers with requisite skills to fill available positions. 'A key catalyst for national development, economic growth is generally assumed to be explained largely by stocks of labor,

physical capital, and human capital (the quality of the labor force). Technological change is associated with the availability of highly educated workers.'⁽¹¹⁾ The contribution of education to economic growth is significant when measured either in monetary terms or labor productivity. Education at all levels contributes to economic growth through imparting general attitudes and disciplines and specific skills necessary for a variety of workplaces. Education also contribute to economy by improving health, reducing fertility, and contributing to political stability.

4. The Role of Education in Economic Development

In the last two decades, the South Asia countries have achieved significant expansion and improvement of education. Education has been playing an instrumental role not only in recent dramatic economic development, but also politically, socio-culturally and demographic changes in the South Asian countries. ICT education is expanded dramatically and playing an important role in the knowledge based economy growth area in the South Asian countries. When the developing world reaches a certain point in creating human resources/manpower through education and necessary skills then the developing countries will largely overcome their existing socioeconomic problems. In considering the effects of education on economic productivity, employment, income and, a wide number of studies conclude that investments in education yield returns that are typically well above the opportunity cost of capital. The social impact of education in developing countries is also positive. The South Asia has proved that improving human capital through education is increased the region's economic growth.

‘Clearly the educational provisions within any given country represent one of the main determinants of the composition and growth of that country’s output and exports and constitute an important ingredient in a system’s capacity to borrow foreign technology effectively.’⁽¹²⁾ Education alone, of course cannot transform an economy. The quantity and quality of investment, domestic and foreign, together with the overall policy environment, form the other important determinants of economic performance. The important and special role the education could play in the process of economic development is widely recognized by government organizations, private sector and foreign investment. There is also a positive feedback from improved education to greater income equality, which, in turn, is likely to favor higher rates of growth. As education becomes more broadly based, low-income people are better able to seek out economic opportunities.

‘The education contributes to economic productivity, has a central role of diffusing knowledge which is vital to the growth process, and is an important force for broader economic development.’⁽¹³⁾ Vocational education and training focuses on specific trades and imparts the practical skills which allow individual to engage in a specific occupational activity. After having vocational education/training many villagers had already switched to small cottage industries in South Asian countries and as an alternative occupation. It is very important that villagers not only know how to make a new product, but more significantly, how to make it with attractive design so that it is possible to market it in urban areas or export it for higher prices. So, vocational education and training have sprung up and promote earning capacity in rural areas, and economically empowered work force. The cottage industries have had a ripple effect through the economic growth, improving the wellbeing of the community, eventually contributing to the increased tax revenues going to the government.

5. Perspective of South Asian Economy

South Asia consists of Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. ‘Notwithstanding once this whole region is known as India and ruled by various Buddhist, Hindu (Raj-poot) and Muslim (Mogul) rulers, now it is divided into different

parts and emerged as different new nation states.’⁽¹⁴⁾ Once this region was under the British colony and ruled for 1757-1947, before their independence as nation states. Therefore, historically South Asian countries have a lot in common in terms of their political, economic, religious and social conditions, and South Asia is one of the dynamic regions in the world.



Geographical map of South Asian countries

In the last two decades, South Asian countries have achieved significant expansion and improvement of education. Education has been playing an instrumental role not only in recent dramatic economic development, but also politically, socio-culturally and in demographic changes in the South Asian countries. In the region, ‘progress in primary education since 1990s, and net enrollment in total (boys and girls) 76 percent in 1990, 80 percent in 2000, 89 percent in 2005, and 88 percent in 2010.’⁽¹⁵⁾ Recently, the ICT education is playing an important role in the knowledge based economy in the South Asian countries. ‘Increasing productivity, ensuring competitiveness, and maximizing utilization of and benefit from the vastly increased knowledge requires investment in ICT and in education and training related to ICT.’⁽¹⁶⁾ Human capital, measured in terms of levels of education and skills, which foster new skills, economically empower the individual and creates greater self-dependent. A better educated, more skilled workforce is likely to be able to play a vital role in country’s economic growth.

‘South Asia has created jobs at a rate that broadly tracks the growth in the region’s working-age population. Indeed, the ranking of the large countries in the region, in descending order of growth of employment (Pakistan, Nepal, Bangladesh, India, Sri Lanka) coincides with their ranking by growth-age population’⁽¹⁷⁾ Despite the world economic recession, South Asian economy’s growth was driven by agriculture, industry, Information and

Communication Technology (ICT), services, and overseas remittance. In 2015, Fiscal Year (FY) except Nepal (devastating earthquakes) and Maldives (a downturn in tourism) in most of the South Asian countries Gross Domestic Products (GDP) was 4.9 to 7.6 percent. 'Bangladesh's growth is resilient in FY 2015 despite political protest that hindered exports and private investment. Growth in 2015 to 6.6 percent from 6.1 percent in 2014. Bhutan's growth quickened to an estimated 5.9 percent in FY 2015. India's growth accelerated economic growing 7.6 percent in FY 2015. Pakistan's growth edged up slightly to 4.2 percent in FY but remained below the government target of 5 percent. Sri Lanka's economic expansion has markedly slowed in the past three years from the rapid pace of the post-conflict economic boom. Provisional estimates place growth at 4.8 percent in 2015, marginally lower than 4.9 percent expansion a year earlier (ADB: 2016).' Recently, due to the very competitive international marketing many Multinational Enterprises (MNEs) and other private sectors around the world are seeking more investment in South Asian countries to improve their competitiveness, and to boost the volume and expansion of trade.

6. Economic Growth in South Asian Countries

'It is evident that all the five South Asian countries, i.e., India, Pakistan, Bangladesh, Sri Lanka and Nepal, have been consistently following economic reform policies emphasizing the market economy and integrating their economies with the rest of the world.'⁽¹⁸⁾ As shown in table 1, consequently, most of the countries in the region have also experienced higher economic growth during the nineties, with more open macroeconomic policies with a focus on export promotion. Bangladesh, Nepal and Sri

Lanka also had higher GDP growth compared with last decade. Bangladesh has an impressive track record for growth and development, aspiring to be a middle-income country by its 50th birthday. 'Bangladesh's economy is maintaining macroeconomic stability, despite the political turmoil. Bhutan is achieved real GDP growing at 6.7 percent in 2015. India, GDP growth is expected to accelerate to 7.5 percent in FY 2015 and 7.9 in 2015/16. Nepal's growth will remain in the 4.5 to 5 percent range.

Pakistan, a gradual recovery to around 4.6 percent growth by 2016. Sri Lanka, growth is expected to decline to 6.9 percent in 2015 due to slowing construction activity.'⁽¹⁹⁾ It is seen in South Asian countries that education makes individuals more productive in an economic sense.

South Asian countries' dramatic economic growth is a miracle because, the region suffers from many growth-retarding factors, such as natural disaster, political turmoil, corruption, conflict, enclave natural resource, and human capital. As shown in table 2, the South Asian countries consistently achieving their sustainable economic development year by year. South Asia's real GDP at market prices by calendar years are really impressive. In the last five years average GDP growth in South Asia, for instance, 2013 (6.3 percent), 2014 (6.8 percent), 2015 (7.0 percent), 2016 (7.4 percent), and an estimate for 2017 (7.6 percent). Dynamic economic growth of the South Asian countries have played an important role in poverty reduction of their vulnerable people. The economic growth of the last decade has contributed to an impressive reduction in poverty. 'In Bangladesh, India and Nepal, poverty fell by 9, 10 and 11 percentage points respectively, in Sri Lanka it fell by 6 percentage points.

Table 1 Growth Rate of Major Macro Variable in South Asian Countries

	India		Bangladesh		Sri Lanka		Pakistan		Nepal	
	1991	2003	1991	2003	1991	2003	1991	2003	1991	2003
GDP growth	5.92	8.61	4.88	5.26	4.98	5.90	3.77	5.15	4.95	3.09
Per capita GDP	4.06	6.48	3.06	3.44	3.64	4.67	1.25	2.64	2.47	0.85
Exports	12.58	6.99	12.98	6.87	7.10	4.79	2.94	28.38		
Imports	13.73	11.13	9.53	7.40	8.02	10.41	2.17	11.22		
Agriculture	2.99	7.33	3.10	3.08	1.63	1.51	4.15	4.07	2.64	2.50
Industry	6.14	6.97	7.21	7.26	6.53	5.52	4.20	5.80	6.94	2.26
Services	7.98	9.85	4.56	5.38	5.48	7.73	4.39	5.30	6.09	3.20
Manufacturing	6.74	7.21	7.02	6.75	7.51	4.39	4.06	6.89	8.42	1.98

Source: World Development Investment Indicators, 2005

Only in Pakistan did poverty increase by 8 percentage points, but that was because Pakistan experienced economic stagnation throughout the 1990s.⁽²⁰⁾ Economic growth builds jobs opportunity and increases purchasing capacity and reduce the poverty. Growth can generate virtuous circles of the Table 2 South Asia's GDP Growth by Fiscal Year prosperity and opportunity. Economic growth is an instrument for poverty reduction and improving the quality of life of the people. The Grameen Bank has been playing an important role in the last three decades, to reduce the poverty reduction through microcredit in South Asian countries. Microcredit intends to promote self-employment and generate the income for the poor through small-scale business and income-generating activities. It was found that many poor women were engaged more in self-employment and through economic growth their socioeconomic have changed.

Table 2 Yearly Economic Growth in South Asia

	2013	2014	2015	2016
Bangladesh	6.0	6.1	5.6	6.3
Bhutan	2.0	5.2	6.7	5.9
India	6.9	7.2	7.5	7.9
Maldives	4.7	5.0	5.0	-
Nepal	3.9	5.5	5.0	5.0
Pakistan	3.7	4.1	4.4	4.6
Sri Lanka	7.3	7.4	6.9	6.6

Source: (data) World Bank, 2016

7. Foreign Investment in South Asian Countries

More recently, beside the South East-Asian countries, many of the foreign investors or MNEs are preferring to invest in South Asian countries. 'The region has significantly more room to benefit from market integration globally, across countries within South Asia, and within country. Globally, South Asia's rapid GDP growth benefited from expansion of trade. It has experienced one of the fastest growth rates in trade averaging 10.8 percent in 2007, following growth of almost 12 percent during 2005-6, which was the highest among all regions.'⁽²¹⁾ At present, many foreign investors or MNEs are eager to invest in the South Asian region, which reflects their desire to utilize its competitive advantage for growth and profit. Increasing competition constantly drives countries to improve efficiency and reduce costs, pushing firms towards low cost sources of capital, natural resources, energy and labor.

There are several driving factors that push a firm towards international production essentially embedded in improving the firm's competitive advantage. Location is an important factor for a firm to enter a foreign country. In international or global business, favorable locations of the South Asian region is opportunity for MNEs to operating their business there what are called location-specific advantages? Certain locations possess geographic features that are difficult for others to match. South Asia, for instance, is an ideal stopping point for sea and air traffic connecting to Europe and the Middle East on the one hand and East Asia and Australia on the other hand. An investor or MNEs always look for an ideal location for investment such as natural resources, market, efficiency, innovation, and increased profits, and in detail these are as follows:

- Firms interested in natural resource seeking have to go after certain resource that are matched with locations, such as oil Middle East, Russia and Venezuela.
- Market seeking firms go after countries that offer strong demand for their product and services.
- Efficiency seeking firms often single out the most efficient locations featuring a combination of scale of economies and low-cost factors.
- Innovation seeking firms target countries and regions renowned for generating world-class innovations. (Silicon Valley and Bangalore).
- Increased profits the basic reason of a business enterprise is to maximize profits through increased revenues and/or reduced cost. International trade and investment is the means through which business firm is able to benefit from difference in labor costs, availability of resources and capital.

'Recent years have seen the rise of Foreign Direct Investment (FDI) in South Asia. This can be partly attributed to liberalization policies initiated by most South Asian governments during the 1990s and early 2000s, as well as to the strong economic growth of most countries in the region. The flow of foreign investment into the region will continue its upward trend.'⁽²²⁾ The region liberalized the economy and lifted restrictions on FDI. Movement toward liberalization in terms of FDI promotion is now common to all countries in South Asia. In 2006, net FDI inflows for South Asian countries were; Bangladesh (\$ 800 million), Bhutan (\$ 9 million) India (19, 442), Maldives (\$

14million), Nepal (\$ 6 million), Pakistan (\$ 3,451), and Sri Lanka (\$ 451million). Expansion of the consumption demand component of GDP was surpassed by investment growth in the region for the sixth consecutive years from 2001 to 2006. This is attributed to the positive outlook of investors and expectations of continued high rates of growth.

8. Universalization of Education for Sustainable Growth

Despite recent growth and poverty reduction, South Asia still has nearly 400 million poor people (out of a population of 1.37 billion). Poverty is not just endemic, but increasingly concentrated in particular, lagging regions. Not only are these regions poorer, but their growth rates are substantially slower than the better-off regions. Lockheed stated that, 'Completed primary education helps to alleviate poverty and to advance economic and social development. A diverse body of literature demonstrates that the adults in developing countries who have educational attainment, have higher individual earnings, greater agricultural productivity, lower fertility, better health and nutritional status, and more 'modern' attitude than adults who have lower educational attainment.'⁽²³⁾ Controversy still exists regarding the relationship between education and economic development. Schultz (1961), first argued that education is the major force in acquiring the abilities, or human capital, that raise the productivity of workers.

8.1 Education Problems in South Asia

About 35 percent of primary school-age children are out of school in Pakistan. 16.2 percent in Bangladesh, 6.4 percent in India and 1.9 percent in Sri Lanka. The prospects of enrolling all children in education are influenced by a wide range of interrelated factors, including demography, socio-economic and cultural norms, governance and political stability. However, these areas evolve over time have important implications not only for the educational development of the countries in South Asia, but also for the children's broader development opportunity (Unicef: 2014). South Asia has a major problem with children being denied schooling, with 17 million children of primary school-age and 9.9 million children of lower secondary school-age being denied. The opportunity cost of schooling depends on the options

available for children not attending school. In other words there is considerable variation in opportunity costs which may partly explain the profiles of child laborers and out of school children who work. Where opportunity costs are higher, this is more likely to act as a constraint on school participation particularly for low income households, where the additional income of household labor is particularly valuable.

8.2 Children Out of School in South Asia

'South Asia is facing challenges with the high number of children being denied schooling. The magnitude of the numbers of Out of School Children (OOSC) in the region remains staggering despite efforts towards universal primary and basic education. An analysis of household surveys shows that a total of 27 million children between the ages 5 to 13 are out of school in Bangladesh, India, Pakistan and Sri Lanka.'⁽²⁴⁾ Due to extreme poverty and natural disasters (e.g. Cyclone, Flood or Tsunami) usually rural poor people migrate to the big cities (Delhi, Mumbai, Karachi, Colombo and Dhaka) in order to find work in South Asian countries. These migrants are living in slums and squatting near an industrial zone or a place where they can find more suitable job opportunities for them. Due to their family's economic constraints, instead of sending their children to school they encourage their children to work and earn money to financially support their family's daily expenditure, and finally these children become an important source of income for their family living.

8.3 How to Overcome the Existing Problems

After the Second World War and even today, it has been observed that in many developing countries defense financial budgets very often exceed the amounts of money that is allocated for education. As a result, the educational sector is neglected and people have had less opportunity or access to education. It is not a very easy task, nor is it possible in the short-term to overcome all the existing problems in the educational system in South Asian countries. But it is time to think about how the South Asian countries can move forward to reach the education targets for their sustainable economic development. It may be possible to overcome the above mentioned problems and to achieve the universalization of education goals in the near future through more public investment in education and having long-term initiatives for educational

development programs.

The individual country's existing primary schools could be used in two to three shifts for the children and at the same time the school could be used at night for adult education, e.g. morning and afternoon for children and at night for adults. According to this proposal, schools can increase their enrollment of school-age children as well as contribute to the community by providing adult education. This paper's suggestions to reach the education targets in South Asia countries by the year of 2020 are as follows:

- 1) The individual government should have a strong commitment to reach the educational targets.
- 2) The government should recruit more quality teachers and improve training facilities for teachers.
- 3) The government should increase educational expenditure in the national financial budget.
- 4) Besides formal schooling, the government should also emphasize the Non-Formal schooling.
- 5) The government should establish a Village Education Committee (VEC) in every village. VEC would monitor and help to improve community involvement through Parent Teacher Association (PTA). VEC will be responsible for motivating and informing illiterate parents of the overall socioeconomic benefits of education and its impact on their children's future.

9. Concluding Remarks

Needless to say, only education cannot solve the all of the existing problems in South Asian countries. But the education can play an important role in producing human capital or human resources with basic skills that is necessary for economic development through agriculture, industrialization, information communication technology and the overall social development in South Asian countries, such as, health and nutrition, poverty reduction,

gender equity, and conservation of the environment.

As shown in figure 1, The NGOs' collaboration with the government varies according to their social commitment, as well as the individual country's socioeconomic, cultural, political and geographical conditions and both interest as well. As discussed earlier, government could work together with NGOs in drawing on their past experiences in educational development and figure out what they can do collectively in the future to improve educational programs. It is recommended that the government become involved in social infrastructure and NGOs can play a vital role in providing their social network skills.

Since 1980s, the World Bank has extended its cooperation with NGOs. The Bank has been emphasizing indigenous intermediary NGOs in the South Asian countries. This cooperation reflects a recognition that working with local NGOs means that their approaches are putting beneficiaries at the center of the development, and ensure participation in education at the grassroots level.

Following the above discussions, it may concludes that the collective approach in educational development and human capital have the potential to make an impact on economic growth and empower the economy in the South Asian countries. The NGOs approaches place people at the mainstream of the social development through their multifaceted development activities. These approaches enable vulnerable people to take part in every stage of their own development such as socioeconomic, cultural and political. A joint collaboration approach with the government would be an alternative or a new path in educational development for the economic growth in the South Asian countries and developing world as well.

Notes

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