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Education As Poverty Removal Instrument: A Study in India

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ABSTRACT

The relationship between education and poverty reduction is thus quite straight and linear as education is empowering; it enables the person to participate in the development process; it inculcates the knowledge and skills needed to improve the income earning potential and in turn the quality of life. Moreover, education of girls and women helps in improving the number of other indicators of human development. As a matter of fact education is inversely proportionate to Poverty. In other words education reduces poverty in poor countries as better educated people have a greater probability of being employed, are economically more productive, and therefore earn higher incomes.

KEYWORDS : Poverty and Education in India, Education Inversely Proportionate to Poverty, Relation between Poverty and Education.

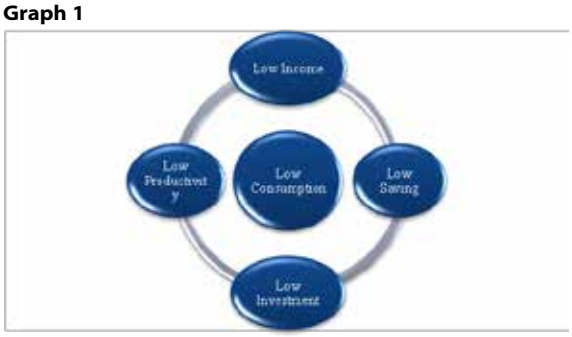
Summary:

The number of poor is now estimated at 148 million in 2014 as compare to 396 million in 2004-05. According to the Planning Commission of India, poverty in India declined to a record 21 per cent in 2011-12. The percentage of education increased during the same period. The relationship between education and poverty reduction is thus quite straight and linear as education is empowering; it enables the person to participate in the development process; it inculcates the knowledge and skills needed to improve the income earning potential and in turn the quality of life. Moreover, education of girls and women helps in improving the number of other indicators of human development.

Introduction:

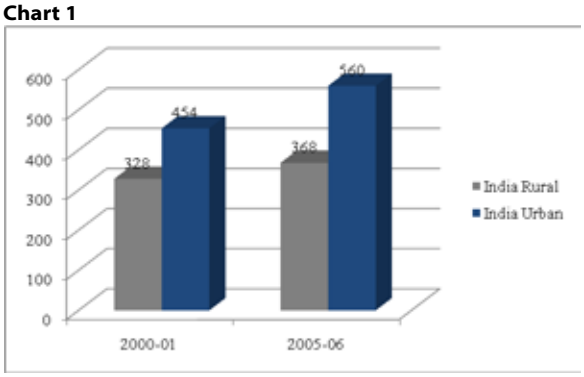
The notion of poverty varies by country to country. Generally speaking, the richer a country is, the higher is its national poverty line. To allow for international comparisons, the World Bank has established an international poverty line of $ 1 a day per persons in 1985 purchasing power parity (PPP) prices. According to this measure the portion of poor people in the world's population- those living in less than $ 1 a day- fell slightly between 1987 and 1993, from 30 per cent to 29 per cent. But the absolute number of poor people increased, from 1.2 billion to 1.3 billion. Another 2 billion are only a little better off. Thus in poor countries, where most incomes have to be spent to meet current- often urgent- needs, national saving tends to be low. Low saving hinders desperately needed domestic investment in both physical capital and human capital. Without new investment, an economy's productivity cannot be increased and incomes cannot be raised. That closes the vicious circle of poverty. So are poor countries doomed to remain poor?

Graph 1



The poverty line was originally fixed in terms of income/food requirements in 1978. It was stipulated that the calorie standard for a typical individual in rural areas was 2400 calorie and was 2100 calorie in urban areas. Then the cost of the grains (about 650 gms) that fulfill this normative standard was calculated. This cost was the poverty line. In 1978, it was Rs.61.80 per person per month for rural areas and Rs.71.30 for urban areas. Since then the Planning Commission calculates the poverty line every year adjusting for inflation. The poverty line in recent years is as follows – (Rs. per month per head).

Chart 1



This income is bare minimum to support the food requirements and does not provide much for the other basic essential items like health, education etc. That is why some times the poverty lines have been described as starvation lines.

Research Objective:

The main objectives of this paper are given bellow-

- To find out the relationship between poverty and education in India.
- To analyze education and economic development in India for breaking the poverty cycle.
- To major the rural and urban literacy rate and gross income in India.
- To suggest some policy measure to remove poverty through education in India.

Methodology:

This paper is based on secondary data and information. Data and information has been collected from the library of Giri Institute of Development Studies, Lucknow, and Tagore Library of Lucknow University, Lucknow and through Internet.

I Poverty: Poverty in India is widespread—

in 2014, the World Bank reported that 11.8 per cent of all people in India fall below the international poverty line of US$ 1.25 per day (PPP). Over the last decade, poverty has witnessed a consistent decline with the levels dropping from 37.2 per cent in 2004-05 to 29.8 per cent in 2009-10 and 21.9 per cent in 2012 to 11.8 per cent in 2014. The number of poor is now estimated at 148 million in 2014 as compare to 396 million in 2004-05. According to the Planning Commission of India, poverty in India declined to a record 21 per cent in 2011-12. In 2012

the total number of people below the poverty line was estimated to be 250 million, but more recent surveys by the World Bank in 2014 give a figure of 148 million people. The latest UNICEF data shows that one in three malnourished children worldwide is found in India, whilst 42 per cent of the nation's children fewer than five years of age are underweight. It also shows that a total of 58 per cent of children fewer than five surveyed were stunted.

Table-1: Population and Poverty in U. P. and India

States/ Country	Population in Millions 2007	Multi-dimensional Poverty Index (MPI)	Proportion of poor	Average Intensity	Contribution of overall Poverty	Number of MPI poor (in millions)
Uttar Pradesh	192.6	0.386	69.9%	55.2%	21.3%	134.7
India	1,164.7	0.296	55.4%	53.5%	–	645.0

Source: Through Net

Poverty is much more complex than simply income deprivation. Poverty entails lack of empowerment, lack of knowledge and lack of opportunity as well as lack of income and capital. Despite increased access to education, the poor — disproportionately women, socially disadvantageous groups, the physically disabled, persons in remote regions — are often deprived of a basic education. And when basic education is available, the poorest are unable to avail of it because the direct and opportunity costs attached to it are quite high for them.

Reserve Bank of India (2012):
In their annual report of 2012, Reserve Bank of India names the state of Goa as having the least poverty of 5.09% while national average stands at 21.92 per cent.

Table-2: Number of Persons below Poverty Line

State/Union Territory	No. of Persons (Thousands) Rural	% of Persons (Rural)	Poverty line (Rs) (Rural)	No. of Persons (Thousands) Urban	% of Persons (Urban)	Poverty line (Rs) (Urban)	No. of Persons (Thousands) Combined	% of Persons (Combined) below poverty line
Uttar Pradesh	47935	30.40	768.00	11884	26.06	941.00	59819	29.43
All India	216658	25.70	816.00	53125	13.70	1000.00	269783	21.92

Source: Through Net

II Relationship between Education and Poverty:
Furthermore, dropping out of school because of poverty virtually guarantees perpetuation of the poverty cycle since the income-earning potential of the child is reduced, not to mention overall productivity, receptivity to change, and capacity to improve quality of life. Lack of education perpetuates poverty, and poverty constrains access to schooling. Eliminating poverty requires providing access to quality education.

The relationship between education and poverty reduction is thus quite straight and linear as education is empowering; it enables the person to participate in the development process; it inculcates the knowledge and skills needed to improve the income earning potential and in turn the quality of life. Moreover, education of girls and women helps in improving the number of other indicators of human development.

Capital is a stock of wealth used to produce goods and services. Most often, by capital people mean physical capital: buildings, machines, technical equipment, stocks of raw materials and goods. But "human capital" – people's knowledge and skills – is at least as important for production and at least as valuable to people who have it. The importance of the "human factor" in modern production is reflected in the distribution of income among people who own physical capital and people who "own" knowledge and skills. Most human capital is built up through education or training that increases a person's economic productivity – that is, enables him or her to earn a higher income. Governments, workers and employers invest in human capital by devoting money and time to education and training (to accumulating knowledge and skills).

The total literacy rate in India was 64.83 per cent out which male literacy rate was 75.26 per cent and female literacy rate was 53.67 per cent. After a decade, in census 2011 this literacy rate increased to 74.04 per cent out of which male literacy rate reached to 82.14 per cent and female literacy rate improved to 65.46 per cent. On the other side according to World Bank National Accounts Data and OECD National Accounts Data Files, the gross income of the country increased, from Rs. 26,971,100,000,000 to Rs. 56,835,200,000,000 during the same period of 2001 to 2011. It indicates that increase in national literacy, increases national income and reduces poverty.

"Education is not a way to escape poverty — it is a way of fighting it."— Julius Nyerere, former President of the United Republic of Tanzania.

Graph 2



Education thus helps to lay the foundation for the following pillars of poverty reduction: empowerment, human development, social development and good governance. Basic education empowers individuals as:

- It opens up avenues of communication that would otherwise be closed, expands personal choice and control over one's environment, and is necessary for the acquisition of many other skills.
- It gives people access to information through both print and electronic media, equips them to cope better with work and family responsibilities, and changes the image they have of themselves.
- It strengthens their self-confidence to participate in community affairs and influence political issues.
- It gives disadvantaged people the tools they need to move from exclusion to full participation in their society.
- It empowers entire nations because educated citizens and workers have the skills to make democratic institutions function effectively, to meet the demands for a more sophisticated workforce, to work for a cleaner environment, and to meet their obligations as parents and citizens.
- The vicious cycle of high birth rates, high maternal and infant

mortality and endemic poverty has been transformed into a virtuous circle through investment in human capital-enhancing labour productivity, reducing fertility and mortality, raising economic growth and thus securing domestic resources for further investments in people.

- The linear relationship between education, poverty and empowerment is, however, governed by the circumstances of a country and within a country in a particular region. Education, thus, influences and is influenced by the context in which it is developed. This synergistic relationship implies that education must be in a constant state of change as it responds to changing social and economic needs and that education in itself is a force for social and economic change as people become more empowered and more productive.

It is widely agreed that the relationship between poverty and education operates in two directions: poor people are often unable to obtain access to an adequate education, and without an adequate education people are often constrained to a life of poverty. However, before addressing the interrelationships between poverty and education, it is important to discuss the concept of poverty. Poverty has many dimensions and does not merely entail low levels of income or expenditure.

The work of Amartya Sen (1992, 2001) has broadened our understanding of poverty by defining it as a condition that results in an absence of the freedom to choose arising from a lack of what he refers to as the capability to function effectively in society. This multidimensional interpretation moves far beyond the notion of poverty as being solely related to a lack of financial resources. For example, Sen's viewpoint would suggest that inadequate education could, in itself, be considered as a form of poverty in many societies. When considering poverty's linkages with a lack of sufficient financial resources it is useful to consider the two distinct components of absolute and relative poverty. Absolute poverty is the absence of financial resources required to maintain a certain minimal standard of living. Education reduces poverty in rich and poor countries better educated people have a greater Probability of being employed, are economically more productive, and therefore earn higher incomes.

Education reduces poverty In poor countries:

Throughout the world it has been found that the probability of finding employment rises with higher levels of education, and that earnings are higher for people with higher levels of education. A better educated household is less likely to be poor.

According to the Census 2001, as many as 560,687,797 persons in the country are literate. Of these 336,533,716 are males and 224, 154,081 are females. While the overall literacy rate works out to be 64.8 %, the male literacy rate is 75.3% and that for females is 53.7%, showing a gap of 21.6 percentage points between the sexes at the national level.

Table- 3: Number and Percent Literates by Level of Education: India 2001

Level of education	Absolute Numbers (000')			Percent to Literate		
	Persons	Males	Females	Persons	Males	Females
Literate	560,688	336,534	224,154	100.0	100.0	100.0
Literate without educational level	20,023	11,361	8,662	3.6	3.4	3.9
Below Primary	144,831	81,148	63,683	25.8	24.1	28.4
Primary	146,740	83,525	63,215	26.2	24.8	28.2
Middle	90,227	55,940	34,286	16.1	16.6	15.3
Matriculation/Secondary	79,230	51,202	28,028	14.1	15.2	12.5
High secondary/ Intermediate/Pre University/ Senior Secondary	37,816	24,596	13,220	6.7	7.3	5.9
Non technical diploma or certificate not equal to degree	386	259	128	0.1	0.1	0.1
Technical diploma or certificate not equal to degree	3,667	2,901	766	0.7	0.9	0.3
Graduate and above	37,670	25,533	12,137	6.7	7.6	5.4
#India figures excludes Mao Maram, Paomata and Purul sub-divisions of Senapati district in Manipur state as census state as census results were cancelled due to administrative and technical reasons.						

Source: Through Net

The impact of education on earnings and thus on poverty works largely through the labour market, though education can also contribute to productivity in other areas, such as peasant farming (Orazem, Glewwe & Patrinos, 2007: 5). In the labour market, higher wages for more educated people may result from higher productivity, but also perhaps from the fact that education may act as a signal of ability to employers, enabling the better educated to obtain more lucrative jobs. Middle-income countries – which frequently have well developed markets for more educated labour – are particularly likely to see the benefits of education translated into better jobs and higher wages.

Education's linkages with economic growth:

Education stimulates economic growth and the development of poor countries, when both the quantity and the quality of education are considered. This also makes it possible for individuals to earn more.

The evidence showing that the quantity of education makes a difference to economic growth is not as strong as is often thought (Filmer & Pritchett, 1999; Pritchett, 2001). In fact, the recent international literature (for example, Pritchett, 1996; Temple, 2001; Krueger & Lindahl, 2001) shows no simple causal relationship between education and economic growth. Education is often poorly measured, and the impacts the economic impact of better education is not easy to measure. Education is correlated with intelligence and family background, and its quality varies a good deal from country to country, so that it would be hazardous to assume that the quality of labour input rises pari passu with levels of education. Indeed all assumptions about the average contribution of education to growth must be very rough. Because educational quality differs so greatly between countries, recent research that shows the effect of quality adjusted education is particularly important (Barro & Lee, 2001; Hanushek & Kimko, 2000; Hanushek & Zhang, 2006; Hanushek & Wößmann, 2007).

There is clear evidence that education can reduce poverty. However, poverty is just one of several factors that prevent access to a quality education. It has been shown that poverty is a wider concept than merely the absence of financial resources. In the conceptual framework provided by Amartya Sen, development deals mainly with the expansion of choice, and financial resources are just one of the factors contributing to this. Accordingly, poverty, in its wider view, should be seen as a range of constraints on the freedom to fully participate in society. Regarding money-metric poverty, (that is, poverty in the financial sphere), both an absolute view (poverty as lacking even minimal resources) and a relative view (poverty as an inability to fully participate in a particular society) were found to be relevant. Absolute poverty is found more in developing countries, whereas relative poverty has particular pertinence in developed countries. There is substantial evidence that education can reduce poverty.

This connection between education and poverty works through three mechanisms: firstly, more educated people earn more; secondly, more (and especially better quality) education improves economic growth and thereby economic opportunities and incomes; and thirdly, education brings wider social benefits that improve economic development and especially the situation of the poor, such as lower fertility, improved health care of children, and greater participation of women in the labour force. From this, some policy needs follow.

Turning to the impact of poverty on education, it is clear that it negatively affects initial enrolment in schools in developing countries and the survival to higher grades in both poor and rich countries. Social exclusion is often a factor for the poor in rich countries, leading to loss of motivation to study as well as peer group effects working to their detriment. National assessments are important to identify the extent of the disadvantage in educational quality faced by the poor, even when barriers to school access and attendance have been overcome.

Suggestions:

- Paper strongly suggests that to remove poverty from the country, the level of education should be improve and quality of education should be high.
- The most important thing that country gives population and education gives quality and productive population to a nation.
- Government, policy planer and educationalist should develop such a module so that every child of the country should be educated and should be productive and constructive.

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