
EDUCATION INVESTMENT: A TOOL FOR ECONOMIC DEVELOPMENT

¹S.O. Oluwuo, ²Barango-Tariah, H. and ³Okonne, I.B.

^{1,2&3}Department of Educational Management

University of Port Harcourt, Port Harcourt, Rivers State, Nigeria.

E-mail: samueloluwuo@gmail.com, hobathventures@yahoo.com, ifychy2002@gmail.com

ABSTRACT

The study takes a concise look at education and its exploits with a view of drawing conclusion on its end products. The study also examined these end products in order to ascertain its positivity in the society. Investment was also seen to have a very strong influence on education that has served as an inducement to education to achieve economic development whose ultimate aim is to give the good life to man and society through the provision of social amenities, improved food production, effective communication etc.

Keywords: Education, Education Investment, Economic Development.

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Introduction

The education sector in every economy is arguably the most important sector; this is so because education is like a fluid that runs in veins of every system. In strong terms, Education is generally viewed as an important determinant to economic growth (Bergerhoff, Borghans, Seegers, & Veen, 2013). Of course the position of Bergerhoff et al about education, though it is their perceptive but this position has also not been criticized in time past.

Giving this assertion, it becomes very prominent in our trot around the globe in search of evidences to back up our claim (as to justifying the dominant role played by education in economic development). Education in every sense is one of the fundamental factors of development. Without education the level of economic and human capital backwardness in countries will increase and the global economy will face severe economic melt down. As a matter of fact, the perceived backwardness wouldn't have been noticed without education; therefore, recounting on education investment as a veritable tool for nation building is not a mere rhetoric's because educational input is not only comprehensive but also universal.

However, in our effort to further make this point clearer in the course of this work, we shall navigate across many boundaries in search of the meaning of education investment as well as its nature. The relationship that exists between education and economic development as well as the importance of education to nation building shall be highlighted.

What is Education Investment?

We were told in our elementary economics that investment means to put money into something viz-a-viz a business with the aim of making profit.

The elementary understanding of this definition is that what ever one puts in money will definitely yield profit for him or her. However, research in recent times has proven beyond doubt that in addition to money which does not talk or walk there is the necessity for the exertion of necessary skill, expertise and what have you for the co-ordination of the money and other resources to produce the expected or intended output.

To this end, Robinson, and Davidson, (2006) sees investment as a process of devoting money, time, effort, energy etc to something. The position of the authors cannot be divorced from the current realities that, to be able to get a standard investment process, a comprehensive approach must be sought for. This goes to inform us that investment is not carried out by money alone, time is also invested, skill, expertise and effort, material things are invested as well. On the strength of the above investment can be seen as "any sacrifice made in anticipation of benefit".

On the other hand, education according to Oztak, (N.D) in every sense is one of the fundamental factors of development. No country can achieve sustainable economic development without substantial investment in human capital. By this definition, education is seen to be versatile (i.e. education is present in every sector); it cuts across every sector of the economy hence a "fundamental factor of development" because development is all inclusive and all encompassing.

Drawing from the above, Ukeje, in Agabi, Okorosaye_Orubite, Ezekiel-Hart & Egbezor, (2005:20) (eds). After taking a chronological view of the various concept of education which by implication also cuts across the various sectors in an economy posits that

Education is power, it is the process of acquiring knowledge and ideas that shape and condition man's attitudes, actions and achievements, it is a process of developing the child's moral, physical, emotional and intellectual powers for his contributions in social reforms: it is the process of mastering the laws of nature and for utilizing them effectively for the welfare of the individuals and for social reconstruction; it is the art of utilization of knowledge for complete living.

Having viewed on the concepts of investment and education critically, it beholds on us to say that "Education Investment" means every sacrifice made to boost and develop education in a given economy. This statement transcends monetary investment, it is of the view that other factors, activities and events also constitute education investment such as building of schools, award of scholarships, payment of bursaries, training of teachers, organizing school sports, debates, quiz etc. funding of schools, organizing workshops, seminars, symposia etc.

Education and Economic Development

Earlier, we tried to establish the relationship that exists between the concepts of investment and education as well as the individual meaning of the concepts. Here, we want to also establish the relationship that exists between education and economic development as well as some of the indicators of economic development to enable us drag our points home.

The relationships between education and economic development cannot be over flogged because it is not farfetched. It is a fact that education is the hub of every economy and the economy depends greatly on education for its growth and survival, hence Saddiqui, (2007:1) posits that "Education is considered to have a strong correlation with social and economic development. In contemporary times, when the focus is on the "knowledge economy" the role of education becomes all the more important in the development of human capital". The emphasis on the authors position is that education reduces poverty and social injustice by producing literate and skilled manpower whose resources and opportunities are key to economic transformation. Similarly, Oluwuo, & Barango-Tariah, (in press) also noted that "In the history of man, education is undisputedly the most significant in the sense that education is undoubtedly the bedrock of all developments and that is why government all over the world try to pay serious attention to it". This is so because the standpoint of the authors reveal that experience, research and emerging realities have also proven that ones success, development, economy, peaceful co-existence, survival and in-fact the overall existence of man hover within and around education such that mans corporate existence would be seriously threatened without education.

Considering the stance of the earlier position, Bailey & Eicher (N.D) observed that the "Society as a whole benefits more than the individual from that individual's education". Standing on the above observation is the general perception that the individual is supposed to benefit more from society by harnessing the natural potentials of the society optimally. However, the perception was cut short with the advent of education which gave a classical touch to the values and exploits of the society today.

Still in the series of thinking or rather relating education and economic development Rodney (2004:261) observed that "Education is crucial in any type of society for the preservation of the lives of its members and the maintenance of the social structure. Under certain circumstances, education also promotes social change". Rodney in his position tried to bridge the gap between the society and education; he said, the society's need for education is very crucial for the preservation of the lives of its members because there will be no society without people. Again, the maintenance of social structures as well as the promotion of social change is primarily the duty of education therefore education and society are two intertwined entities that are inseparable.

From an independent standpoint, Coleman, (1986) traced the origin of education to the missionaries who according to him used education as a conduit pipe to industrialize and at the same time entrench their globalization tendencies. Interestingly, Coleman also observed that through the establishment of schools, the missionaries were able to

promote free flow of communication upon the introduction of a common language (English) which could also be described as “lingua franca”, this also helped or promoted economic development.

The point made so far has given a clearer picture of the relationship that exists between education and economic development, though the conceptions and perceptions of the authors may be different but the generality of it is that economic development and education are like the vehicle and the driver, the vehicle cannot move effectively without the driver and so the economy cannot strive without education.

Gains of Education Investment

The manifest gain of education investment induced growth in an economy are enormous because the importance of education to economic growth seems obvious hence the famous slogan “education for all”. However, the approach of education investment towards delivering its manifest objective is highly technical and calculative. In reality, education investment takes a rational and comprehensive approach by asking many questions which include: how much education is needed, who should get it, who should deliver it, how should its delivery be organized, who should pay, who will benefit, and how is education related to other types of economic and social policy? (Bailey & Eicher, N.D). The presentation here is, education investment tries to know the what, the who, the why and the how to invest in education hence Hanushek, Woessman, Jamison and Jemison (2008:1) noted that “its not just going to school, but learning something while there that matters”. Certainly, the operational pattern of education investment is not just to invest in education and leave it there, it also engages in monitoring the progress made so far. This is responsible for the findings of Hanushek, *et al* which states that when the average number of years of schooling in a country was higher, the economy grew at a higher annual rate over subsequent decades which they identified as the security of its property rights and its openness to International trade.

Another index used in measuring the manifest gains of education investment is the area of poverty eradication which is also a standard for measuring economic growth. A country where majority of its population live below 1 US Dollar per day may have little or nothing to show with respect to economic growth. The development triggered Tinibu, (2013) (in a speech delivered in Port Harcourt during the visit of the leadership of All Progressive Congress APC at the Government House Play ground on Tuesday 6th November, 2013) posit that “the best weapon to fight against poverty is education”. Countries with greater portion of their population attending and graduating from schools see faster economic growth than countries with less educated workers because an employee’s intellectual ability can be treated as an asset. This asset can be used to create products and services which can be sold and reinvested to boost the economy.

Also thinking along this line of thought is Gylfason, (2001:5). In his submission, sees education as a prerequisite for rapid economic development, that “education stimulates economic, growth and improves peoples lives through many channels by increasing the efficiency of the labour force by fostering democracy and thus creating better conditions

for good governance by improving health, enhancing gravity”, that education is a condition for economic growth.

In their views, Oluwuo, and Barango-Tariah, (in press) noted that “education provides the necessary knowledge and skills for man to manipulate the forces in the society to enable man achieve desired goals”. It is imperative to note that economic development is a creation of man through his mental and physical disposition. It is also important to mention that it is the combination of man’s mental and physical abilities that makes development worth while. Before achieving any developmental project, there was a conception of that project in form which does not have physical existence but exist in the mind of the conceiver. This conception of the mind is later transformed into reality by harnessing the skills of man to transform society which could also be referred to as development. The obvious point we are trying to make here is that, it is the manipulation of mental conception and skills that enhance development but centrally, these mental conceptions and skills rely on education for excellence.

Other gains recorded by education are the rapid industrial development in Europe in the 17th and 18th centuries through what they tagged “self educated mechanics” in the French engineering industry and the “German machines” in Germany, they were able to take an indebt look at their economy which was near nothing, on this basis, they were able to thinker possible ways of improving on the status at the time which was manifestly transformed into the current realities today (Tamuno, 1996).

The list of education induced economic development is endless; however, this work will also be incomplete without the mention of some infrastructural developments like good and accessible roads, medical facilities and electricity supply. Education has also enhanced comfortable and affordable transport system through the establishment of seaports, airports, motor parks and railway stations accompanied by the manufacture of the requisite means of transportation to suit ones desire. Education also promoted mechanized farming to boost food production. Communication and information dissemination was made easier through the print and electronic media. The introduction of telephone, internet, facebook, Black berry messenger (BBM) and other social network jointly made the world a global village.

Summary

Efforts were made to define the concepts based on their individual merit, potency and efficacy, and were juxtaposed side by side with economic development with respect to their relationship, effects and impact. Based on this premise, specific attention was given to the relationship that exists between investment and education as well as education and economic development. That these concepts or variables are interlinked and interrelated to the extent that they both (investment and economic development) need education with passion to strive.

The study also highlighted some of the manifest gains of education investment in the society viz a viz in the areas of economic growth, infrastructural development, human capital development, food product, social network and so on and so forth.

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