THE EFFECTS OF EDUCATION TO ECONOMIC GROWTH AND VICE VERSA

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Economy and education go hand in hand for the fulfillment of the development and growth in different sectors of the country. In a broader sense, economics and education are truly related to each other. Therefore, the two have their effects on each other.

Education affects economic growth. The productivity-enhancing microeconomic proof is a substantial effect of skills and education. Throughout their careers, people with more skills earn more. Therefore, it is reasonable to extend the view to aggregate outcomes, in particular to the long-term economic macroeconomic perspective country-growth. There are at least three processes, from a theoretical point of view, by which education can influence economic development.

Firstly, education increases the human capital inherent in labor, which raises labor efficiency and thus further schooling brings transitional development to higher production equilibrium. Second, education can boost the economy's innovative capacity, and new knowledge about new technologies, products, and processes boosts growth. Third, education can disseminate and transmit knowledge necessary to understand and process new information and to implement successfully new technologies developed by others, which again foster economic growth. Moreover, a primary determinant of both business and economic development is the expertise and skills of the workers available in the labor market. Higher-education and training sectors prefer to pay higher salaries for jobs. Training differences is an important factor that divides developed and developing countries. The productivity of an economy is growing as the number of
Trained workers increases as professional workers can perform tasks more effectively. Education enriches the perception that people have of themselves and the world. This increases the quality of their lives and offers people and society-wide social benefits. Education increases the efficiency and innovation of individuals and encourages entrepreneurship and developments in technology. It also plays a very important role in ensuring economic and social development and increasing the distribution of revenues.

Economic growth affects education. Instead of economic growth, the economic crisis will have adhered for discussion so that the reciprocation scheme of this will be linked to the effect of economic growth on education. An economic crisis has had negative effects on all facets of Philippine society, but it has hit especially hard the Philippine education system and those who work in it. Students, teachers, administrators, and support staff are affected, often negative, in several ways. A stagnant and depressed economy has a domino effect, whose ripples spread to all aspects of Filipino life, including secondary and higher education.

Specifically, reducing adult income makes it more difficult for the parents to bear the direct educational expenses such as tuition, fees, books, materials, uniforms, and private tutoring. Consequently, the educational results are affected as the child is either excluded from or inadequately prepared for school.

Additionally, lowering adult income may also force parents to become more dependent on child labor. As a result, a girl who was not a girl laborer before the crisis may become a child laborer; if the child was already a child laborer before the crisis, it might take long hours to work. This increase in hours of child labor will affect educational outcomes because the additional work is physically and emotionally exhausting and leaves fewer hours for research. Similarly, parents who have historically depended on child labor may respond to declining child wage levels by forcing their child to work longer hours; again, such changes in working hours are likely to damage educational outcomes.
Moreover, reductions in adult hourly or regular wage levels can cause parents to work longer hours, which in effect decreases the time parents can spend supporting their child with homework, reading, and other educational activities. Also, by sensing weaker labor market prospects from a decline in the quality of a school, parents may withdraw their child from school or become less supportive of the educational efforts of their children.

From all the negative effects, there are positive effects of the economic crisis. Reducing child wage rates can make child labor less appealing to parents. Parents should also allow their children to take the place of educational activities for research which may theoretically boost the results of education. Similarly, if the crisis persuades parents that less-educated workers suffer more than skilled workers, parents may become more supportive of their child's educational efforts.

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