



## Socio-Economic Impact of Higher Education in Pakistan

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**Abstract**— In this study, the socio-economic impact of higher education in Pakistan are studied. The main objective of this study was to examine and analyse the casual relationship between socio/economic impacts in higher education. The study has also highlighted the firm relationship in higher education. The findings showed that there is positive relationship in higher education.

**Keywords**— *Education, economic growth, social mobility, inequality, awareness*

### I. INTRODUCTION

Education is the most vital factor which plays a major role in human resource development. It creates opportunities for the socially and economically deprived sections of the society. Education has the potential to bring the significant benefits to individuals and society which go well beyond its contribution to individual's employability or income [1]. Higher education maintains social mobility and a high standard of living. The mobility of higher education worldwide in not a new phenomenon but in twenty first century the speed and level of emergent is mentionable. The major trends are shaping higher education according to international standards but in Pakistan in-equalities between academic institutions are continuously increasing and our country reveals severe deficiency and the demand for increased access of quality education remain strong. No one can deny that this social factor that social economic development and progress of any society on the quality and extent available to its people. There its progress and development need to be taken as challenge because the development of any society is attached to sustanined and vital investment of any society [2]. It is well established and acknowleged worldwide that investment in higher education is essential and important for economy and society. Greater investment in educational institutes increases the quality and quantity of highly educated graduates who can better perform in industry and other institutions for the betterment of economy and society.

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A huge investment is seen now in universities which increases the research productivity and number of highly trained reseWe are increasingly seeing more investment in university which increases productivity and better trained research graduates (PhD's).

Graduates carry their learned experience and knowledge to their future employers and become key planners and perform well for the betterment and knowledge of society. A society having high percentage of university graduates enjoys good knowledge, health and civic participation. Graduates can expect higher lifetime earnings as a result of their investment in their education especially higher education. It is estimated that the economic benefits of higher education qualifications in Pakistan for the average Graduate are compensated by the return to the state. It is common understanding that educated individuals live better life, lead a healthier lifestyle, and better facilities due to their enhanced level of awareness as compared to the less educated individuals, because education is considered the most important factor to the socio-economic development of any society. It plays a very important role ingrooming the human capabilities and increased the economic growth through lerned knowledge and skills. Through education we can reduce poverty, inequality and improve health status in society. It is important to note that poverty reduction can help in development of social and infrastructure and by this way economic growth and development in society can be achieved.

Through education both teaching and learning skills can be improved. It develops proper knowledge and skills mentally and morally. When Pakistan came into existence, there were only two higher education institutes, the University of Punjab and University of Dhaka. During next two decades, a lot of private and public schools and higher education institutions were developed to boost the Country socio-economic development [3]. Education sector in Pakistan comes under the direct supervision of the ministry of education of government of Pakistan as well as the provincial governments, whereas the federal Government mostly assists in curriculum development. Public expenditure on education as a percentage of GDP was actually reduced in 16 years and maintained in 5 years in 2008 and 2009 [4]. Pakistan in the age group 55-64 had a literacy rate of almost 38%, those ages 45-54 had a literacy rate 46%, those ages 25-30 had a literacy rate of 57% and those ages 15-24 had literacy rate of 72% [5].

## II. LITERATURE REVIEW

In this paper relevant review of literature on economic and social impact of higher education was discussed in Pakistan. This research paper has also highlighted the relationship between economic and social impact of education in Pakistan.

Andriance Williams (2005) et.al has conducted a research on post-secondary education in America. The major objective of this work was to analyze economic and non economic post-secondary education investment. The obtained result showed that more education is better for the individual and even society [6].

Maureen Woodhal (2007) has conducted a research work on impact of funding higher education in the University of London. This paper examined the influence of economic thinking in the last twenty years on higher education finance in different countries. The paper concluded that economic thinking has a significant contribution to the formulation and implementation of policy on higher education finance, but the influence of politics, administrative, legal, and social policy issues should not be underestimated [7].

TABLE I TOTAL BUDGET 2013-2014 AND EXPENDITURES IN PAKISTAN

Federation and units	Rs in Billion		Total % Budget		Total
	current	Development	Current	Development	
Federal	59	21	74	26	2
KPK	59	14	81	19	21
Punjab	150	32	82	18	15
Sind	121	14	90	10	22
Baluchistan	25	11	70	30	21
Total	413	91	82	18	8

Marios Obwona (2007) has conducted a research to study the impact of higher education in Africa. This study aimed to analyze and study the positive correlation between GDP growth and student enrolment in public universities. The main objectives of this study were to examine that graduates also contribute to the economy of the society through tax which is used to support in social programs in large society. It also finds that higher education graduates are those sectors which have recorded higher growth rates [8].

TABLE II IMPORT AND EXPORT OF CHINA 2005-14

Province	Highest	Lowest
Punjab	86%	48%
Sind	78%	44%
Baluchistan	99%	28%
KPK	88%	42%

Zahoor Hussain Javed (2008) et.al has carried out a research on impact of education on socio-economic status of villager's life. Education is the most important factor on overall environment of society, but primary education has less effect on behavior of rural resident in a selected village of Punjab. The result showed that economic growth of any economy not only depends on physical but also on the human capital [9].

Asim Iqbal (2009) et.al has conducted a research on higher education and economic growth in Pakistan. The purpose of this research was to find out and study the long run relationship between economic and higher education. The results showed that there exists a unidirectional causality running from economic growth to higher education and no other direction of causality found between these variables [10].

Muhammad Bilal (2012) has conducted a research to study the issues behind the depressed higher education in Pakistan. The main purpose of this research is to analyze and study the issues behind the failure of higher education in Pakistan and identifying the important factors which achieve its goals. Now a day the development of society depend upon the quality of higher education, but our education system has failed to respond according to the requirement of the society and world dynamic environment. The study found that the number of internal and external factors which are influencing the higher educational institute which lead the higher education towards the poor quality [11].

Iqbal Ahmad (2014) et.al has conducted a research to study the barriers to co-education in Pakistan. The main purpose of this research is various socio cultural and political impediments to co-education in Pakistani society. The study analysed some socio-cultural, political, economic and religious barriers to co-education in Pakistani society. The study concludes that deduction of barrier would cover for promotion of girl's education [12] in the country.

## III. METHODOLOGY

Education help individuals to develop skills, improve social and economic status, and gain access to networks that could lead to enhanced social outcomes[6,13]. The secondary data was used in this research paper. The data has been obtained from the years 2012-13. This paper analyzed socio-economic relation in higher education. The study has examined the

socio-economic relationship between five levels of education primary, secondary, college, bachelors and graduate. Descriptive statistics, Mean, Median, and standard deviation method has been used in this paper.

#### IV. RESULTS AND DISCUSSION

In this research paper descriptive statistics has been used to find out the results. In the above Table I shows the total budget and expenditures in education and Table II shows the literacy rate of different provinces. 86% highest literacy rate in Punjab and lowest is 48%. In Baluchistan lowest literacy rate is 28%. Table III provides five level of education. In the second Colum, residence in which people live percentage is calculated. There is a positive relationship in education level. In the third Colum immigrants percentage is calculated. The native's percentage increases/decreases as the immigrant's percentage increases/decreases. This shows a relationship that the average of natives is increases with the average of immigrants. In the fourth Colum arrived percentage also shows positive relationship with the level of education.

TABLE III SOCIO-ECONOMIC STATUS OF EDUCATION

Level of education	Natives	Immigrants	Arrived
Less than high school	7.5%	29.0%	35.5%
High school	30.9%	24.8%	24.6%
college	30.7%	17.7%	13.9%
Bachelors'	20.8%	17.4%	16.0%
Graduate degree	10.1%	11.0%	10.0%

TABLE IV INCOME INDICATORS

Level of education	Natives	Immigrants	Arrived
Less than high school	7.5%	29.0%	35.5%
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Table IV shows social relationship in income of the respondents. The average income increases with the level of education and the annual earnings also increases and decreases. There is also positive relationship in income. Table V shows economic relationship of education GDP. In the first Colum, gross domestic product GDP is discussed. There is a positive relationship in GDP, because it increases and decreases. All economic indicators shows positive relationship but in trading gains and has negative impact on education.

#### V. CONCLUSION

Education is a very fundamental right of every citizen, but there is huge in-equality in education sector, because male-members of society are getting get more benefits of education as compared to female counterparts. Gender in-equality in education has significant impact on rural poverty in Pakistan The female literacy is very important for Pakistan to progress in this century because education is essential for the economic growth of any country and Pakistan can not afford to deprive the half of its population (females) from their basic right of education. Officially the government of Pakistan is committed to provide every citizen an equal chance and access to education, but budget allocation towards education does not correspond with this former commitment. The expenditures on education are still on a very very low as compared to other countries.

TABLE V GROSS DOMESTIC PRODUCT (EXPENDITURES APPROACH)

Items	2010	2011	2012	2013
Gross Domestic Product(GDP)	512,364.2	510,044.6	517,439.3	525,336.6
Domestic demand	494,573.7	496,709.1	508,157.3	517,399.1
Private demand	375,726.2	378,481.6	387,689.3	392,502.5
Public demand	118,781.6	118,196.5	120,455.1	124,797.0
Exports of goods and service	82,398.9	82,106.3	81,987.8	83,350.8
Imports of goods and service	65,338.2	69,198.9	72,885.0	75,386.0
Trading gains / loss	-11,006.5	-17,296.1	-18,867.2	-20,741.2
Gross domestic income	501,357.7	492,748.5	498,572.0	504,595.4
Gross national income(GNI)s	514,857.1	508,110.0	514,429.0	523,176.0

#### VI. RECOMMENDATIONS

- Education is necessary for everyone and should be available to everyone; otherwise it will be worst situation for development of country in the future. Government and private sectors both should sit

together and plan for education curriculum and then government should follow this plan sincerely.

- Training is the most important element to bring positive changes in the professional skills, but there is lack of training and mid-career professional courses in teaching profession.
- Government should maintain GDP because it will help to improve and develop the country. The Government should increase to allocate 7% of GDP to education.
- Education should be free for everyone so that everyone can get the benefit of education. Government must provide facilities of education to everyone especially in rural areas.
- The curriculum development and review process, as well as textbooks review process, should be standardized and institutionalized within the framework of the Federal Supervision of Curricula, Textbooks and Maintenance of Standards of education.
- Literacy rate should be increased up to 86% through up-scaling of ongoing programmers of adult literacy and non formal basic education in the country.
- A Bachelor degree, with a B.Ed, should be the minimum requirement for teaching at the elementary level. A Masters level degree for the secondary and higher secondary should be ensured.

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