

Literacy and Economic Development

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Introduction:

An educated country is a developed country. Literacy level plays a major role in the economic development of a nation. If people are literate, then there will be minimum violence in the country. Literacy leads to good employment opportunities. If literacy level is high in a nation, then there will be more number of entrepreneurs and the flow of money will be huge. If new enterprises come up, the economy of the country grows with the amount of tax collected. New enterprises lead to more employment generation and in turn reduce the unemployment rate. A Nation with a low unemployment rate will develop very rapidly. Let's elaborate on the above.

Impact on Nation

Literacy level is directly related to economic development. The cycle goes like this Literacy leads to rise of entrepreneurs and new enterprises which in turn provide employment and there will be huge demand for employment. When there is demand for employment, there will be a huge rise in the number of schools and colleges. When there are more number of schools, public can get easy access to schools and colleges at affordable costs. In this manner all will get education and the literacy level will go up. The demand in the industry is directly relational to the demand in the education sector and in turn directly related to literacy level and vice versa. This is a circular flow of activities depicted in the diagram below. The literacy level will make the nation in demand. Recently, the economic growth of INDIA and CHINA are mainly due to the rapidly growing literacy level in these countries.

In the case of literacy level, both supply and demand are increasing rapidly in INDIA and CHINA. The Population of both the countries is increasing and the education sector is increasing and the literacy level is increasing and with it the economy of both these nations are booming. Still, the beautiful aspect of both these nations is although the supply is increasing, the demand keeps on increasing and so far no saturation point has reached and it is expected to continue for the next ten years. Both the nations have a strong literate teenage group and that is the power of these nations growing into knowledge packed zones.

Need of Literacy

Economic prosperity of a country entirely depends on the economic resources it has. These economic resources are classified as Natural resources, financial resources and Human resources. Natural resources comprise of fertile land, ideal topography, abundant forests, sufficient mineral resources and excess water supply. Financial resources include the capital needed for the economic activities. Human resources include the population, its growth rate, skills, standard of living and working capacity of the labour force. According to modern economists a country leading in natural resources has more opportunities to develop than that of a country lacking in such resources. But only abundant availability of natural resources does not make sure the economic development of a country, these resources need to be utilized at their optimum. And this is only possible when efficient manpower utilizes these resources. The developed economy of Japan is the open example in this regard whereby Japan had overcome the deficiency of Natural resources by excelling in Human resources. In other words it can be said that economic development only occurs when Natural and Financial resources are maintained properly by efficient Human resources.

On the other hand if Human resources fail to maintain Natural and Financial resources, these resources may be misutilized, underutilized or unutilized and cause economic inefficiency, for instance underdeveloped countries of the world like Afghanistan has excess of mineral resources but the economy is not developed due to lack of Human resources. Another example is Pakistan, where we have sufficient mineral resources but due to lack of skilled manpower we cannot utilize all those resources, and as a result of such we are not in the queue of developed countries.

Importance of Literacy

Literacy is the key tool to make the workforce efficient. The word literacy means “a state of being able to read and write”. In a broader sense literacy is a phenomenon by which one can enhance his communication, professional and social skills. The impact of literacy on economic development is positive and can be easily determined by comparing the standard of living, per capita income, GDP, industrialization and development of infrastructure within a country. Literacy enhances the working capabilities of people by providing them with skill development.

Literacy and economic development have endless companionship, but the role played by literacy on economic development is quite dominant. Literacy has the positive influence on the economics development in the following ways.

1. It helps to enhance the skills of workforce, which result as a positive influence on work behaviour. By enhancing his skills one can earn more which brings economic prosperity at both Micro (individual) level and Macro level (rise in real GDP).
2. Literacy develops a sense of responsibility among the common man, by which one can become a good citizen.
3. Increasing rate of literacy brings about a state of competition among different firms, industries and sectors of production, which helps an economy to grow on strong bases of competition.
4. Increasing rate of literacy also helps to control and maintain population growth. Hence qualitative population is found with increased standard of living and more access over basic needs.
5. Increased technical education helps to develop new and sophisticated methods of production and distribution, which can reduce the cost of production and increase the rate of return.
6. Educated and skilled workers are the assets of a country, which may have demand not only within the country but are highly demanded in other countries also. By rendering their services abroad they can earn more of the foreign exchange and GDP will increase with the increase in foreign earnings.
7. If literate people come to run the government along with economy, country will have a great benefit in such a way these people will allocate the resources at their best and hence the chances of misallocation and misutilization of resources will diminish.
8. Proper and planned allocation of resources brings increased and qualitative production. Increased production leads to more employment opportunities. Thus the level of unemployment reduces from the country.
9. Inflation is one of the major problems of today's economics. According to the research reduction in inflation is directly related to the reduction in unemployment level. As literacy and skill development helps to reduce the unemployment it leads towards the control over inflation. And hence economy rides on the strong horse of development.

10. Literacy also helps to enhance the communication skills among the people. Developed communication skills help an individual to contact with more and more employers in order to get better job opportunities. Developed communication skills also help to maintain pleasant relationship between the employer and employees, which reduces the conflicts among them and by this way the productivity of the firm extends.

11. Along with the development of professional and communication skills, literacy and education develop social skills by which an individual learns to move in the society and he realizes the importance of society, as no one can live in isolation.

12. By enhancing the skills among the workers, the organization can get maximum productivity.

Concisely literacy has great importance in the economic development of a country. Literacy brings all the positive changes in variable factors of production as well as in infrastructure development; it also minimizes or may wipe out negativities. No one can deny the importance of literacy. It can be said that literacy is a pillar on which the major part of an economy stands, if the pillar is strong enough to hold the economy, the anomalies can be reduced very easily and the economy will multiply. And if the pillar of literacy is weak and fragile the anomalies may push the economy downward and the economy may fall down on all four.

Conclusion

For the better economic development it is more important to strengthen the pillar of literacy. It requires strategic planning and financial resources to facilitate the literacy programs. The financial resources required for the development of literacy programs may not be considered as expense, in fact it is an investment which gives fruitful results in future.

The strategic planning required for the development of literacy programs is the part of economic planning. The strong the economic planning is the better the result will be.

From an analytical point of view the economic prosperity and literacy are the two directly proportional procedures which have a great influence on each other. As a country's workforce is educated, skilled, organized, competitive and wanting to go ahead, no one can stop such an economy from being prosperous.

Concisely economic development depends on the qualitative workforce and this qualitative workforce can be acquired by developing professional, social and communication skills through literacy and education.

As the people of a country are literate they will work much better for their own and as they will work to satisfy their needs, simultaneously country's economy will grow and develop.