

TEACHING DEVELOPMENT: CRITICALLY EVALUATING ECE FOR ECONOMIC GROWTH IN INDIA

Nirvaan Patnaik

Sanskriti School

DOI: 10.46609/IJSSER.2023.v08i08.019 URL: <https://doi.org/10.46609/IJSSER.2023.v08i08.019>

Received: 9 August 2023 / Accepted: 20 August 2023 / Published: 30 August 2023

ABSTRACT

Early childhood education is a key driver of several economic outcomes, such as growth, development, public and taxpayer expenditure on social deficits, among others. In the Indian and South Asian context, ECE is intertwined with other developmental issues such as nutrition, health, caregiving, and cultural biases regarding education. While there have been positive correlations identified between ECE and economic growth on a global scale and consequent policy decisions in India, the implementation of these policies has been poor and participation in ECE continues to be below desired levels. This paper investigates this issue from a critical perspective, drawing on global research in the field, to identify the key gaps in implementation of ECE policy in India and South Asia. This paper poses policy recommendations and further areas for research to improve the quality of data available regarding ECE in the region and in turn its impact on the economy.

Introduction

Early Childhood Education, (hereafter referred to as ECE) is a lesser researched aspect of economic development and growth. Arguably, ECE is among the most important factors affecting the Indian and South Asian economies, as well as the remaining developing world. ECE is of paramount importance, due to the foundational developmental stage of the child between the ages of 0 and 8 and provides the basis for all future learning, including reducing instances of dropouts in secondary education which in turn ensures access to opportunities for upliftment (UNICEF India, n.d). Children who have participated in a high-quality early childhood education program are more likely to have greater learning levels, especially in the early primary grades, according to data from the Indian Early Childhood Education Impact Study (IECEI) 2017 (UNICEF India, n.d).

With the largest youth population in the world, India is positioned as an especially important site for focus on ECE both in the South Asian and global economy and has a key role when it comes to harnessing the potential of ECE. However, India must make investments in the human and cognitive development of its people if it hopes to fully benefit from this demographic dividend and contribute positively to the global economy (World Bank, 2016). In their most crucial years, less than 2% of Indian children have access to the proper nourishment, appropriate healthcare, opportunities for early learning, and clean water and sanitation. The absence of these fundamental needs can harm a child's development permanently and jeopardize the nation's potential economic productivity (World Bank, 2016).

The Indian government has in recent years taken steps to address the deficits in relation to ECE policy. In order to recognize the value of investing in early childhood development, including early childhood education (ECE), and its impact on lifelong learning and development, as well as to end the intergenerational cycle of inequality and disadvantage, the Government of India adopted the National Early Childhood Care and Education (ECCE) Policy in 2013. The Policy is accompanied by a National ECCE Curriculum Framework and Quality Standards, and followed by the unified National Education Policy, 2020 (UNICEF India, n.d). Despite such interventions however, there remain significant variations on a state level – for example, the state of Uttar Pradesh has the lowest ECE participation rate in the country at 43.7 percent, and Karnataka has the highest rate at 86.6 percent. Further, the impact of COVID-19 also affected ECE especially among lower income populations, due to the closure of anganwadis and local government schools which did not have the facilities or infrastructure required to implement online learning programs. Between March 2020 and February 2021, an estimated 167 million pre-primary-age children in 196 countries lost early access to childhood care and education (Bagchi et al, 2023). This has deepened an already unequal educational ecosystem, where most children from the lowest wealth quintile (51 per cent) attend anganwadi centres while most children in the highest wealth quintile (62 per cent) attend private facilities (UNICEF India, n.d).

Therefore, it is crucial to evaluate the relationship between ECE and economic growth and development. This paper will critically evaluate this topic, tracing the global outlook on the impact of ECE on economic growth, examining the same in the South Asian and Indian context, and posing policy recommendations for the improvement of ECE as well as areas for future research in the field.

Background

In a recent conference by UNICEF, ‘Global Governance with Life, Values, and Wellbeing – Fostering cooperation in Framework, Finance and Technology’, the panel put forward policy recommendations which focused on, among other points, “the importance of investing in the

early years of childhood. Evidence shows that investing in the early years can boost cognitive capital to yield the highest and more inclusive economic growth.” (UNICEF, 2023). Therefore, it is clear that global bodies have placed importance on developments in ECE policy. ECE has also been a topic of research globally.

Seminal research in the field conducted in the USA by Professor James Heckman demonstrates that the best way to reduce economic deficits is to invest in early childhood development. Such interventions for ECE for disadvantaged children create better education, health, social and economic outcomes that increase revenue and reduce the need for costly social spending and really helps the ECE reach its full potential (Heckman, 2012). Heckman’s research further demonstrates that the development of young children who are at risk is one of the most efficient methods for economic growth. He also recommends that there must be a focus on the investment for the development of young children who are at risk, coming from families who lack education, and social and economic resources. By reducing the need for special schooling and remediation, improving health outcomes, reducing the demand for social services, lowering criminal justice expenses, and increasing family productivity and self-sufficiency, short-term costs are more than covered by the long-term advantages. Focusing on at risk children and youth also reduces the long term taxpayer burden in relation to housing, poverty, food and crime – which are also costly social expenditures (Heckman, 2012). A key conclusion from Heckman’s research is that the earlier the investment, the greater the return on the said investment. Based on higher academic and professional success as well as decreased costs for remedial education, health care, and criminal justice system expenditures, Professor Heckman's analysis of the Perry Preschool program reveals a 7% to 10% annual return on investment (Heckman, 2012).

Another study in the USA has also demonstrated that in recent times the ECE has been as important as the standard education system with respect to labor productivity and growth in children. Allocations of public expenditure on ECE has given some of the most sizeable returns on the investment and has made a noticeable impact in a positive way on the country’s GDP (Delalibera and Ferreira, 2019). The study further discovered that early childhood education can account for a significant portion of the observed increase in school years in the United States since 1961 and that it was just as crucial to the rise in labor productivity during that time as formal education. Further, it was also demonstrated that modest shifts in public spending from formal education to early childhood education would have significant effects on per capita income and productivity (Delalibera and Ferreira, 2019).

With this background and fundamental correlation established, it is crucial to then move to an examination of the same in an Indian and South Asian context. The following section of this paper will examine this, as well as highlight the key gaps in ECE research and policy.

Discussion

With the discussion of ECE on a global level, this section will now focus on ECE's impact on economic growth and development in the Indian and South Asian context. It is crucial to preface such an examination by highlighting how there is very little literature and information about ECE in South Asia and India, this is mainly because of problems in the process of data collection, even though there is general evidence regarding a positive correlation between ECE and economic growth in this region. This has led to gaps in implementation of ECE, resulting in children not reaching their full potential when it comes to education.

According to available data, 89 million South Asian children under the age of five still run the risk of not developing to their full potential (Beteille, et al, 2020). The provision of early childhood development services in the area seems to be fragmented, and the existence of numerous government players with different roles in education, health, children, and youth complicates the landscape for both policymaking and implementation. Biological risk factors like prenatal and postnatal growth, dietary shortages, infectious diseases, and environmental toxins, as well as psychosocial hazards like parenting issues, mother depression, being around violence, and poverty, are among the nutrition and health problems. Inequalities in the cognitive skill development of children by social group are a significant issue in South Asia (Beteille, et al, 2020).

A crucial factor which also makes ECE a complicated area of study in India and South Asia, is the fact that it cannot be separated from providing access to health, nutrition and education as well (Lee, 2020). There have been positive developments, such as an overall increase of years of schooling in the region. However, India at an average of 6.3 years and with around a third of the population remaining uneducated at any level, remains lower than some of its South Asian counterparts such as Sri Lanka. Further, in India, 35 percent of students who do enroll do not graduate past Grade 10 (Lee, 2020) . Another factor to consider is translating ECE into future skill development, without which the benefits of ECE would remain unrealised. India's training system has the capacity to train only a quarter of the annual 13 million people entering India's labor market. Both in India and in the South Asian region as a whole, there also remains a significant gender disparity in terms of access to education (Lee, 2020). Without a holistic approach which considers health, nutrition as well as addressing inherent cultural factors such as gender discrimination, ECE cannot be effectively addressed in India and South Asia.

In the Indian context, research on ECE has been limited especially as it relates to quantitative outcomes on economic growth. There has also been a gap between policy and practice, despite the introduction of several policies by the government in this area (Alwani, 2019). India's National Policy for Children and the introduction of the Integrated Child Development Services

(ICDS), currently the biggest publicly funded early childhood system in the world, in 1974 were both influenced by this idea of ECCE. India offers services for universal access to health, nutrition, and education through the ICDS. The government also introduced the frameworks as elaborated on above, in 2013 and 2020 (Alwani, 2019). However, pre-primary enrolment remains low, and there are several gaps in the abilities of anganwadis to be good providers of ECE due to insufficient teacher training, substandard facilities and lack of regulation. Therefore, even if policy shows the political intention to improve the ICDS, the system still lacks funding, direction, and control (Alwani, 2019). As a result, there is still a significant gap between policy and practice, and the inability to optimise is caused by a lack of study on the aspects which are causing an inability to optimise policies.

However, there have been attempts to assess the quantifiable economic benefit of ECE in India in terms of increase in adulthood income and value of cash flow (Kapoor, 2023). According to a study conducted in 2023 (Kapoor, 2023), *“the calculation of Net Present Value (NPV) which is the present value of the cash flows at the required rate of return of the project compared to the initial investment when an investment per child of INR 15,696 is made in Foundational Literacy and Numeracy (FLN), it leads to a benefit of INR 598537/- to that individual over a period of 20 years.”* Therefore, while there is an indication of improvement in the investigation and remediation of ECE policy in India, it is crucial to expedite the same and draw from international learning’s and best practices, as well as leverage the support of global bodies.

Conclusion

While research demonstrates that there is a correlation between ECE and positive economic growth and development, it is crucial that there be more empirical and longitudinal research conducted in order to improve the quality of available datasets and as a result, better the implementation of policy. This research should be done by accounting for variables such as gender bias, access to nutrition and other socio-economic conditions specific to the Indian and South Asian context. In addition to this, there is a requirement for holistic investment in ECE, also parallelly investing in areas such as nutrition, household deprivation, social programmes and health interventions due to the impact of all these factors on whether a child is enrolled into early education in the Indian and South Asian context (Bagchi et al, 2023). This involves a multi-dimensional, interdisciplinary and multi stakeholder approach to child development policies. In this regard, there is a need for localised research given the difference in contexts from the developed world, and even between South Asian nations. Improving datasets is the key to providing insights into any impediments to implementation (Alwani, 2019).

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